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ABSTRACT

The Commission on the Year 2000 found many areas of improvement since issuing its initial report, "New York Ascendant," in 1987, outlining an agenda and goals for systematically dealing with the most significant problems facing New York, New York. The Commission reviewed reports from city agencies explaining what each agency would do to implement the program's short- and long-term recommendations. This follow-up report to Mayor Edward Koch includes the following areas: (1) Economic and Physical Development; (2) Poverty and Dependency; (3) Education; (4) Health; (5) Criminal Justice; (6) Housing; and (7) Transportation. Major findings include the following: (1) recommendations for reform in housing and education have been accepted; (2) although moving in a positive direction, improvements in transportation, health care, and physical and economic development are slow; (3) many of the basic issues raised in the areas of criminal justice and social services have not been addressed. Perhaps the greatest concern of the Commission is that the most basic problems cut across agency lines, and their solution requires a broad, interagency response. (FMW)

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REPORT TO THE COMMISSION ON THE YEAR 2000

Progress Toward Implementing the Recommendations of the Commission

September, 1988

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ROBERT F. WAGNER, JR., CHAIRMAN

Robert Leitman, Executive Director

N. James Fenwick

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Robert F. Wagner, Jr., Chair

Jorge L. Batista
Manuel A. Bustelo
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Alexander Cooper, F.A.I.A.
William J. Dean
Sandra Feldman
Karen Gerard
Peter C. Goldmark, Jr.
Vartan Gregorian, Ph.D.
Bernard Haber, P.E.
Charles V. Hamilton, Ph.D.
Norman Lamm, Ph.D.
Margaret E. Mahoney
Marcella Maxwell, Ed.D.
Robert J. McGuire
Horace W. Morris
Dick Netzer, Ph.D.
Annamaria Nucci, M.D., Ph.D.
Donald C. Platten
Donna E. Shalala, Ph.D.
Herbert J. Sturz
Bishop Joseph M. Sullivan
Chor Weng Tan, Ph.D.
Pat Koch Thaler

Robert Leitman,
Executive Director

N. James Fenwick,
Deputy Director

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LETTER FROM THE CHAIRMAN

Dear Mr. Mayor:

A little more than a year has passed since we submitted the report of the Commission on the Year 2000. At that time, you announced your intention to have the city's agencies review our report and develop plans to achieve its goals. You also announced that after one year's time you wanted a report submitted to yourself and to the Commission, which would describe the city's progress. I am pleased to submit that report, written by the Commission's staff, to you.

As you know, ours was essentially a hopeful look at the future, seeing a basically healthy economy and only limited pressure in terms of population growth, and seeing a period during which more people would be leaving the job market than would be entering it. Along with discussing the many positive trends, we identified significant issues the city must face -- some relating to the physical nature of the city. We also noted that the problems which concerned us the most, however, were those having to do with the city's social fabric.

We stated, as you did when you created the Commission, that New York's recovery from the fiscal crisis enables us to proceed with both the economic and fiscal lessons of that era, and with the knowledge of what New York can accomplish with a common will and purpose. We called our report New York Ascendant, and titled our first chapter, "Facing Our Problems." We believed one year ago as we do now, that New York is strong enough to face our problems and be not only ascendant but eventually triumphant as well.

The staff report we are transmitting to you today shows clearly that you have taken the Commission's work seriously and that as a result all of your agencies have put forward thoughtful responses. We are grateful for that.

We are grateful also that in a number of areas, particularly housing and education, many of our recommendations for sweeping reform have been accepted -- the real test will be sustaining these initiatives. In other areas, the staff report suggests that the city is moving in a positive direction, though more slowly, and sometimes more timidly, than we would have liked. This would be true of transportation, especially in terms of strategies to control the use of cars; health care; and physical and economic development. In still others -- criminal justice and social services most noticeably -- many of the basic issues we raised have not been addressed, although they are still being debated. That does not mean there has been no planning; indeed there has been. However, that planning has tended to focus on short-term answers as opposed to long-term solutions.

Perhaps the greatest concern we have is that so far the city's response has been almost exclusively by individual agencies as opposed to reflecting a broader, more interrelated approach. One of the things we had tried to do in our report was to point out that many of the city's most basic problems cut across agency lines and that their solution required a broad, interagency response. That notion is at the heart of our request for an emphasis on strategic planning. Hopefully, as the city continues to look to the future, this broad outlook will more and more characterize the city's approach to the issues facing New York in the 21st century.

At this point it would make little sense for us to argue specific points. What we had to say we said a year ago. All that we can or should do is urge a continued commitment to see today's and tomorrow's problems in the context of the kind of New York we would like in the next century. The purpose of this staff report is to help in that effort.

Although the events of last year might have somewhat altered the emphasis the Commission placed on drugs, race relations, and the environment, we nonetheless believe the course we outlined for the city is the right one. We also believe that if that course is followed, New York can be truly a city ascendant and eventually a city triumphant.

Again, our thanks for your support. Please know that, as I wrote you last year, in our view "great as New York has been, we believe its promise is even greater." All of us stand ready as New Yorkers to make that promise real.

Sincerely,

Robert F. Wagner, Jr., Chairman
For the Members of the Commission

Jorge L. Batista
Manuel A. Bustelo
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INTRODUCTION

"Ours is a time of New York ascendant," the Commission on the Year 2000 wrote last year to introduce its report. The Commission saw an exuberant and strong New York, a New York that was and should continue to be the international capital of finance and the gateway to the American economy; a New York that was and should continue to be the country's center of creativity in just about every field -- music, theater, publishing, advertising, communications, painting, dance; and a New York that has been built over centuries on the strengths and diversity of its neighborhoods and people.

Yet the Commission also identified severe and troubling problems. It saw that while the city's economy was strong, it had not yet fully recaptured past strengths. While the city had gained 300,000 jobs over the previous eight years, it still had 300,000 fewer jobs than in 1969, and faced serious competition from other parts of the nation and the world.

It saw poverty as a troubling presence, which held almost a quarter of New York residents and 40 percent of New York children in its thrall.

It said that of all services education was the most critical for the city's future in lessening dependency and ensuring that New York's future embraces opportunity for all its citizens.

The Commission worried that despite the city's role as the center for some of the world's most prestigious private hospitals and as a direct provider of care through a large and extensive municipal hospital system, public health threats such as tuberculosis, sexually transmitted diseases, and other ailments, were again rising after years of decline. The city's infant mortality rate was and remains over 35 percent higher than the national average. And the Commission worried that the special needs of persons with AIDS, mentally ill people and the frail elderly were not being adequately met.

New Yorkers were rightly fearful of crime, particularly violent and random crime. Despite minor dips in crime during the early 1980s, the city still had over one-third more crimes reported than in 1969.

While many areas were thriving, whole tracts of land remained vacant and derelict in once fine neighborhoods. Despite the 12,000 new housing units being constructed and the 18,700 units rehabilitated annually, replacement did not keep pace with demand and good housing was a major problem for many, perhaps most, New Yorkers.

Many of the streets in midtown and lower Manhattan, homes to two crucial business districts, were trapped in gridlock for most of the business day, and the mass transit system, while improving, still had major problems to overcome.

Having laid out what the Commission believed to be the city's most significant problems, it set forth an agenda for Mayor Koch and his administration to tackle these

problems systematically, agency by agency. In many ways what the Commission was saying was that the agenda of the fiscal crisis should give way to a new agenda -- to a new beginning.

On reading the report, the Mayor announced his intention to do just that. On the morning of June 30, 1987, Mayor Koch called New York Ascendant "superb, balanced, and comprehensive." That afternoon the Mayor wrote his Commissioners, noting that this "ambitious and thoughtful document provides an agenda and establishes a set of goals which can guide us as we plan for the years ahead." Agency heads were directed to report on what their agencies would do to implement the short- and long-term recommendations -- over and above their current plans. In addition, the Mayor asked the Commission's staff to review the agencies' reports and present a report to the members of the Commission and to his administration. That is the purpose of this document.

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"We do not believe that the city can be made better by government alone," the Commission wrote, emphasizing the roles to be played by all New Yorkers in making New York a better, more livable, and even a more civilized place. The Commission called on the citizens of New York and their institutions -- community groups, universities, foundations, churches, hospitals, businesses -- to assist. Similarly, the Commission recognized the federal and state governments as critical to New York's future. While this document concentrates on the response of city government, it notes some of the cooperative ventures between government and the private and voluntary

sectors, and identifies some of the ways in which other levels of government are helping or hindering the city government's efforts.

The focus of this document is on the specific response of city agencies -- actions, budget allocations, and plans intended to meet the needs of the city's future in response to the Commission's report. Some acknowledgment of the more general reaction to the report is also appropriate. One of the Commission's hopes had been to spark debate and discussion, to shift the city's sights from the past to the future. From the staff's perspective that seems to have happened. The Commission's process -- consultation with public officials, civic organizations, the business community, and private citizens -- has helped stimulate many people and institutions to reassess priorities and consider long-term plans. Indeed rarely has a report received such wide distribution. More than 10,000 requests for copies have been filled. The report has led to literally hundreds of forums. It has been widely discussed in the press and even led to the publication of reports on the same theme, often from different points of view, by outside groups.

In addition New York Ascendant has generated a number of public-private partnerships and lobbying efforts. Education and housing, two of the Commission's highest priorities, have seen a significant growth in political support and collaborative efforts, with the agendas largely following those recommended by the Commission.

In an emergency such as the fiscal crisis, long-range planning tends to give way to crisis management. Even in good times, long-range planning rarely occurs without an outside stimulus. The creation of the Commission on the Year 2000 was, as the Mayor

said at the time, a product of New York's ability to move from a preoccupation with questions of survival to questions of revival. Just as the report seems to have encouraged a public debate about the city's revival it has also led to a much greater concern about the future on the part of city agencies. Planning has recently become a serious concern for a number of city agencies. This last year has seen the release of the Five-Year Plan for Housing Homeless Families, the Strategic Plan for AIDS, the Middle School Task Force Report, the reports of the Board of Education's Task Force on Professionalism and Task Force on Capital Construction and Financing, the substantially revised Ten-Year Capital Plan for Housing, the second interim report on New York City Water Supply Needs, the plan for Medicaid in the 1990s and, the significantly revised Ten-Year Capital Needs report.

At the same time, planning processes have been initiated in a number of other areas. The Commission on the Future of Child Health, created in November 1987 and chaired by the Commissioner of Health, is scheduled to report in 1989; the Health and Hospitals Corporation is preparing a strategic plan for its long-term future; and the Department of Cultural Affairs is working with the Board of Education to develop a detailed implementation plan for furthering arts education in the schools.

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The collapse of the stock market in October 1987 and the uncertainty this created influenced city government this past year. Mid-year budget cuts and a generally more austere and uncertain fiscal context characterized the period from October 1987 on.

Despite this, the city government's efforts in carrying through on the Commission's report seemed real. In a follow-up communication following the October crash the Mayor's office reminded agency heads, "It is important that we proceed with planning and implementation activities that effectively move us in the directions the Commission has recommended. There is much that can be done now without additional costs or by refocusing resources. Planning for initiatives which could be feasible when the economy and our budgetary conditions improve should also continue." As the staff sees it, there appears to be a real and continuing commitment.

New York Ascendant contains nine chapters -- an introduction, seven chapters on specific issue areas, and a conclusion. This document follows that structure and reprints the original chapter summaries. In the staff's view, each of the seven issue areas show signs of meaningful commitment in pursuit of the goals and recommendations of the Commission's report. The city's economy continues to grow and the development of downtown Brooklyn will help sustain that growth. Increased employment is having an impact on reducing poverty. A new agenda for education has been defined, with increased operating and capital budget allocations to support the first steps. The AIDS problem has received real attention. The number of housing units in the city is increasing as the rate of abandonment has significantly declined, and the city has adopted a policy and funded a program to rehabilitate the housing it has taken in place of taxes. The Police Department's community patrols are now in 65 precincts, and the Probation Department's budget has been increased so that probation officers have more manageable caseloads. Mass transit ridership is up, more ferry service is in use, and a trial of an automated fare collection system has begun.

None of this is cause for euphoria or complacency. In each of the seven issue areas enormous difficulties remain and large elements of the Commission's strategies have not been addressed. In part the limited accomplishments reflect the more difficult times the city faces from a budgetary point of view; in part they reflect the city's lack of a larger planning vision; and in part they reflect the difficulty in developing interagency efforts.

In addition, there are danger signs not fully appreciated earlier. These would include race relations, the impact of drug abuse on several growing health problems, the speed with which the city's in-patient hospital capacity has been filled, and the urgency of proper and regular investment in bridge maintenance and repair.

The city administration's commitment seems strong. Yet with all that has been done, much more needs to be done. To use the Commission's language, this last year "should teach us not to be smug about how far we have come, but to be hopeful about how much further we can go. It permits us to think boldly about the future, to raise our aspirations, and to envision a city far better than the one we have today." These words seem even truer today than they did one year ago.

ECONOMIC & PHYSICAL DEVELOPMENT

Over the next fifteen years, New York City's basically strong economy could offer opportunities New Yorkers have not had for decades. While the city's economy will grow by some 300,000 new jobs, the region's labor force will grow only three-fourths as fast. As older workers retire, fewer younger people than in previous years will enter the labor market to replace them.

While there are real limits to what city government can do to shape the economy, the city can make a significant difference in several areas by (1) becoming a less expensive place to do business; (2) expanding the central business district and establishing regional centers in each borough; (3) revising the zoning resolution to promote sound development while preserving neighborhoods; (4) promoting those areas, particularly cult re and the arts, parks, and libraries that have made New York uniquely attractive; and (5) planning for and rebuilding a city whose beauty and amenities will make people want to live and work here. The city should particularly plan for its undeveloped frontier — the waterfront.

In its June 1987 report, the Commission said, "In the face of such economic exuberance, it might seem churlish to ask what the future will bring, or question the strength and duration of the boom, or probe the weaknesses of our economy, or wonder whether New Yorkers are participating fully." The economic uncertainties since then have been sobering, and such questions no longer seem churlish. The Commission's projection of continued but slower job growth remains valid. The number of jobs in the city grew from 3.48 million in 1985 to 3.62 million by June 1988. Overall job growth continued despite the October shock in the stock market -- 29,700 more jobs since June 1987 -- even with the financial sector's loss of 13,500 jobs since October.

In the past year city government has taken some of the proposed steps to strengthen the local economy. The Commission argued that the city's most important direct contribution to the economy lies with restoring the capital plant -- a contribution greatly increased by the new ten-year capital plan. New and expanded programs to lower corporate utility and energy taxes can help the city be more competitive. Expansion of the Central Business District (CBD) to include downtown Brooklyn is now occurring, though at a more limited level than the Commission had hoped for. Other recommendations on regional centers unfortunately have not led to action.

Many other issues have not yet been addressed, most prominently the lack of a comprehensive plan to guide the development of the waterfront and the overhaul of the zoning resolution.

PROVIDING EMPLOYMENT OPPORTUNITIES

Even in an information-based, technologically advanced city, maintaining semi-skilled and skilled jobs -- both manufacturing and low-level clerical jobs -- remains important, as the Commission noted. These jobs support the overall economy while providing diversification in the labor market. Even with the Office of Business Development (OBD) directing its most significant tax benefits and technical assistance to the manufacturing sector, manufacturing employment continued to decline in the city by 0.89 percent between June 1987 and June 1988.

Nevertheless, programs to retain what the city has are underway. The city's Office for Economic Development has been instrumental this past year in achieving state designation of four areas as Economic Development Zones -- South Jamaica, East New York, Port Morris and East Harlem. The designation means that companies starting or expanding in these areas will be eligible for utility tax credits, higher state investment tax credits, higher employee tax credits, refunds of state sales tax on construction material and the chance for local property tax breaks. Another recent initiative is the formation of the Industrial Technology Assistance Corporation in 1988 to assist manufacturing industries to introduce new technology and remain competitive. The first project assisted the metal working industry.

As the Commission noted, even manufacturing will require higher skill levels in the future. OBD is addressing the need for a trained workforce for manufacturing jobs through training programs instituted this past year with the audio-visual, typesetting and binding industries. A similar retraining program for the furniture industry, which

OBD helped start in 1985, expanded this past year. As the city continues to shore up its manufacturing sector, it should also look for new kinds of job opportunities to keep New York's economy as diversified as possible.

LOWERING THE COSTS OF DOING BUSINESS

Because New York City's taxes are the highest and most complexly structured in the country, the Commission recommended thorough tax reform. The Commission's highest priorities were utility taxes, the unincorporated business tax and the commercial occupancy tax. In November 1986 the Mayor appointed a Tax Study Commission, headed by Edward S. Sadowsky, to recommend specific long-term reforms to the city's revenue structure. Beginning with an examination of the impact of federal tax reform, the Tax Study Commission is now examining a variety of other issues, including those the Commission suggested. The Tax Study Commission will report in December 1988.

New York City's energy costs are 30 percent higher than New Jersey's. The city originally planned to eliminate the cost differential over five years through a reduction in energy-related taxes and the projected faster rise of electricity rates in New Jersey. The elimination of the gross receipts tax on electricity, gas and steam became effective in July 1987, lowering energy costs for all commercial and industrial customers. Unfortunately, as part of the negotiations leading to this year's adopted budget, the tax will be restored from July 1988 to July 1990 and then eliminated. The phased elimination of the sales tax on energy used by business, originally scheduled to

begin in July 1988, was also postponed for two years, but will be completed as originally scheduled in 1992.

A new tax change now taking effect provides property tax relief for owners of telecommunications equipment. Certain types of equipment that had been subject to taxation in the past will no longer be treated as taxable property. The full reduction will be phased in over five years.

The Relocation Employment Assistance Program, which became effective this past year, provides relief from the commercial occupancy tax as well as a per employee tax credit on city business taxes to firms that relocate above 96th Street in Manhattan and to the other boroughs. A firm is eligible for both the commercial rent tax relief and the $500 per employee tax credit for 12 years. This program serves two Commission goals -- reducing the costs of doing business and retaining firms within the city but outside the crowded core.

A partial reform to assist small unincorporated businesses was instituted in 1987. By raising the unincorporated business tax liability threshold, the city has relieved 30,000 businesses -- more than half of all those who paid this tax in the past -- of this tax liability.

The Commission argued that one barrier to the city's being competitive in technology and science has been the lack of a major academic and research center in the sciences. Such a center will require both a long lead time and cooperation among the city's universities and corporations. While city government can be helpful, it is

unlikely to play the lead role. The current efforts centered around the new research, academic and commercial center called Metrotech in Brooklyn and Audobon Research Park near Columbia University will be valuable but fall short of the larger and more cooperative venture the Commission envisioned. A true center for the sciences would emphasize the development of research facilities, training of scientists, financing of new ventures, and the generation of support services.

MAKING MORE SECTIONS OF THE CITY ATTRACTIVE TO BUSINESS

Because many businesses have not been able to afford higher rents and the costs of doing business in midtown and downtown have continued to rise, the Commission proposed a broad program of directing more of the city's economic growth to areas outside the current Central Business District of lower and midtown Manhattan. It advocated making downtown Brooklyn the third part of the CBD and expanding the CBD to include Long Island City and the area between 14th and 34th Streets in Manhattan. It also called for the development of strong regional centers in each of the boroughs as well as the creation of industry-specific centers and small business incubators. While each of these elements has at various times been a part of past city policy, a more comprehensive and focused execution of these policies and increased direct investment were recommended.

With five major projects providing nearly 10 million square feet of space at a cost $1.5 billion underway, the development of downtown Brooklyn is proceeding. The projects are: Metrotech; major back office facilities for Morgan Stanley and Company;

a new Hilton Hotel; the mixed use Atlantic Center at the LIRR station; and Livingston Plaza, a 500,000 foot office complex, which is the first major commercial project in downtown Brooklyn to be financed entirely by private funds. If the city is serious about promoting the development and prosperity of neighborhoods beyond the CBD, and if it is serious about convincing businesses of the sincerity of its efforts, then it must commit itself firmly to the provision of both capital investment and ongoing essential services. If these essential services are lessened -- as will probably result from the elimination in this year's budget of 460 street cleaners -- the attractiveness of downtown Brooklyn and other expansion areas will be damaged.

Development of Long Island City has seen some progress. The Hunters Point Development Project is a cooperative mixed use venture of the Port Authority, the Public Development Corporation (PDC), and the Department of Housing Preservation and Development (HPD). The filing of ULURP applications this year for five million square feet of housing, and another five million square feet of office, hotel and retail space is a significant step in moving this project. The International Design Center is now open and a back office tower for Citicorp is under construction. The future of the rest of Long Island City and the relationship of Long Island City to the CBD remain undetermined.

There is also no consensus regarding the future of the valley between 14th and 34th Streets in Manhattan, perhaps the most controversial of the Commission's proposed areas for development. Different groups support different mixes of commercial, manufacturing, residential and office space -- and some oppose any development that will bring concentrated new uses.

The regional centers proposed by the Commission -- Fordham Road and 161st Street in the Bronx, Jamaica in Queens, St. George in Staten Island, and 125th Street in Manhattan, have received only limited support from city agencies. According to the Housing and Vacancy Survey, the number of households in the Bronx increased by 3 percent in the last three years. The two regional centers in the Bronx are important to the continued revitalization of that borough. Fordham Plaza, the major component of the effort to turn the Fordham Road area into a regional center, is now ready for occupancy. As with the early years of the World Trade Center, government tenants are needed. The city and state have leased half the space. At 161st Street, two major initiatives are underway -- construction will start this fall on a privately financed 415,000 sq. ft. retail and commercial building, and a 40 acre site is in the planning stages for 3,000 units of affordable housing. A new office building will open this summer in Jamaica and will house 3,400 federal employees. PDC, which initiated that project, is also attempting to develop another site in the area. On 125th Street, earlier openings of such projects as the Loews Theater, Mart 125, and a parking garage, are designed to spur additional development but no further initiatives are planned for the near future beyond the 1988 opening of a 128,000 sq. ft. commercial mall. For St. George, PDC commissioned a major consultant study to present development options for public discussion in the fall. Even with the currently favorable market forces, more direct city assistance may be necessary to make regional centers a reality. As the Commission said, "Such centers are not going to develop by themselves. The city must make them happen."

Although individual firms have successfully relocated from Manhattan to the boroughs, traditionally Manhattan-based industries still resist participating in an

outerborough industry center approach. It took two years to nearly fill the Bronx Apparel Center, 425,000 sq. ft. of space created with OBD's assistance, which now provides a home for garment manufacturers who have left Manhattan. The opening in 1986 of one million square feet of renovated industrial space at the Brooklyn Army Terminal has provided an opportunity for the printing and garment industries and other light manufacturers to stay in New York. A doubling of the Terminal capacity is planned for 1990.

PLANNING FOR A BEAUTIFUL AND EFFICIENT CITY

"New York is a city of dance and music, art and theater; a city of historic districts, gardens, and public parks; a city of churches and synagogues; a city of universities and libraries; a city of such diversity that one seldom need leave the city to see all that life has to offer. As the city plans its future, it must consciously retain and nurture that diversity."

The most basic way that city government sustains a working city is through capital investment. The Commission called the city's 1986 $46 billion plan (expanded in 1988 to $57 billion) a credible and successful strategy for restoring the city's physical plant after decades of neglect. Beyond the new capital spending discussed in the education, transportation, and housing sections, the Commission called for two other major capital additions.

The city's plan to construct eight resource recovery plants includes one under

construction and five more scheduled to open by 1995. The Sanitation Department notes that the adequacy of these eight plants depends upon the success of the newly funded recycling efforts over the next decade.

Because New York's water system is straining under increased usage, the Commission called on the city to incorporate new sources in its capital plan. This year the city began its Universal Water Metering Program with a trial of meters in selected buildings to assess whether metering can bring about a projected 10 to 30 percent cut in water usage. Metering is also necessary to garner legislative support for the development of new sources of supply upstate. Planning has begun for the $439 million upgrading of the Chelsea Pumping Station, which should supply another 100-200 million gallons daily. A further study to determine additional sources of supply is being conducted over a 69-month period by engineers from the Department of Environmental Protection at the direction of the Mayor's Intergovernmental Task Force on Water Supply.

The Commission's view that the city should actively promote the arts is beginning to be realized in city programs. The Industrial Development Agency has now expanded its programs to offer financing assistance to not-for-profit arts organizations, and the Financial Services Corporation has helped the Department of Cultural Affairs establish a revolving loan fund to assist arts groups respond to rising real estate costs. PDC is working with Cultural Affairs to identify city-owned buildings that could be used by performing groups. However, the critical need for housing for artists has not been addressed.

The Commission also called for the acquisition and additional development of parks, something that has rarely happened since before World War II. The recent capital plan not only increases a ten year overall commitment for the Parks Department from $1.3 billion in 1986 to $1.8 billion in 1988, but allocates for the first time $45 million for the acquisition of new parkland -- funds that the Commission suggested should be directed toward "the many newly built or rehabilitated neighborhoods which have no parks at all or parks that are too far away to be used habitually."

THE WATERFRONT

The Commission emphasized the future of the waterfront both for reasons of vision and reasons of practicality. Indeed, the waterfront is today's great unused resource that could be to our century what the Erie Canal, the Croton Reservoir, and the railroads were to the nineteenth century. Behind the Commission's vision was a practical concern: most of New York's waterfront is publicly owned. It is almost entirely under the jurisdiction of public agencies, and is not subject to the usual mess of mixed private ownership. Much of the city's waterfront has been under-used or misused, and its development as a public resource hindered by a byzantine set of regulations. New York Ascendant called for a comprehensive plan, land acquisition, a simplified review process and an effective local authority to manage and help finance development.

The most important step is the creation of a comprehensive plan to guide

development. While the Commission worried about the urgency of developing the waterfront, it recognized that the waterfront as a planning problem is recent. Until the 1950s, the waterfront was thriving economically, but as most maritime uses started to decline economically, the waterfront decayed without benefit of rescue.

There is a great deal of waterfront related activity going on in several agencies. PDC has 13 active projects on the waterfront and has identified 26 others to study over the next few years. Many of these sites will require large amounts of capital to prepare the infrastructure for development. PDC has proposed that its powers be substantially increased to include condemnation powers and a lead agency role for environmental impact statements. Battery Park City has just opened a new park at South Cove on the Hudson. Despite the elimination of federal and state funds for coastal zone management studies the Department of City Planning has begun three citywide studies: a study of ways to improve public access, another to identify needed changes in waterfront zoning, and a third to determine which facilities, such as marine transfer stations, must be located on the waterfront. City Planning is also conducting a study of the Brooklyn Queens industrial waterfront as well as studies for esplanades along the East River in Manhattan, the North Shore of Staten Island, the Bronx River (a bike/hike path) and the south end of Flushing Bay, and for increased public space between Atlantic Avenue and Fulton Ferry in Brooklyn.

City Planning has committed itself to undertaking a comprehensive plan for the waterfront and views the above studies as necessary steps in the development of such a plan. The Department has begun preparing a work program for the waterfront plan. For all of the efforts underway, however, the two critical issues raised by the

Commission -- the need for planning and the simplification of agency coordination -- have not been fully addressed.

STRATEGIC PLANNING

To oversee long range planning, the Commission proposed the formation of a high level Office of Strategic Planning, which has long been called for by many civic groups. Such an office has been fully funded in the Department of City Planning. A consultant's report has outlined specific missions for the office and initial recruitment has begun. The Advisory Board to the office has not yet been selected.

While the Commission felt that city government's most constructive role in shaping the economy is often to stay out of the way, city government can make a difference. With the advantage of an already healthy economy, the time to preserve and enhance New York's special qualities -- its diversity, its grandeur, its cultural dominance, the potential magnificence of its waterfront, its variety of neighborhoods, its public spaces -- is now. These are legacies that can last well beyond the year 2000. While the last year has seen some progress, an enormous amount remains to be done.

POVERTY & DEPENDENCY

While the city's economy is stronger than it has been in decades, one-fourth of all New Yorkers — and two-fifths of New York's children — live in poverty. The poor are disproportionately the very young, disproportionately women, and disproportionately black and Hispanic. To break the cycle of poverty and to concentrate on those least likely to escape from poverty without special intervention, the Commission believes that government programs should be aimed at easing the transition from poverty to economic independence. The city's efforts should focus on poor female-headed families with children, and unemployed men who live alone. And because poverty tends to be neighborhood-based, government efforts should be targeted to poor neighborhoods.

Truly making a difference, however, will require a major restructuring of social service programs. Our proposals concentrate on (1) helping poor people move from welfare to work; (2) educating and training those who lack preparation for employment; (3) intervening early with support services to troubled families; and (4) strengthening those neighborhoods with high concentrations of poor people.

The Commission expressed the hope that the coming years could bring a reduction in poverty because an unusual intersection of demographic and economic trends will produce more jobs than job applicants: "Because job growth will exceed labor force growth in both city and suburbs, for the first time in decades, there will be enough jobs for city workers -- if workers are educated and trained for the jobs ahead. Most of those entering the job market will be members of two groups (blacks and Hispanics) traditionally left out of the labor market in the past."

New data from the Census Bureau and the Housing and Vacancy Survey (HVS) show some reduction in poverty. The census data indicate that the percentage of people living below the poverty level in New York dropped to 20.6 percent in 1986 from 23.9 percent in 1985 -- both figures far higher, however, than 1969's rate of 15 percent. The rates for blacks dropped from 32 percent in 1985 to 26 percent in 1986 and from 44 percent to 36 percent for Hispanics. According to the Housing and Vacancy Survey, median household income was one-third higher in 1986 than it had been three years earlier, 19 percent higher when adjusted for inflation. If these trends continue, they will show that New York's post-1977 economic boom has begun to make an impact on poverty. Yet, a city with more than one in five people living below the poverty level -- with much higher rates among blacks, Hispanics, and children -- remains distant from the city of opportunity envisioned by the Commission.

THE CITY'S ROLE

New York Ascendant was unequivocal about the seriousness of poverty and

dependency for the city's future: "Without a response to the problem of poverty, the New York of the 21st century will be not just a city divided, not just a city excluding those at the bottom from the fullness of opportunity, but a city in which peace and social harmony may not be possible. There is no more important issue for city government, no more important test for New York."

The Commission recognized the far greater levels of authority and resources controlled by the federal government. "The city is not free to reform welfare as it chooses. Indeed, in many ways, the city is forced into a passive role with programs that are mandated by the federal and state governments, and largely paid for by them as well." The Commission's response was to define an activist role for the city which recognized the failings of current policy and the need to influence other levels of government. "If the city were to start over today with the $5 billion or so spent annually on social programs, it would structure many of those programs very differently. In working within intergovernmental mandates, the city should first decide what it believes should be done, and then bring other levels of government around to these views." As home to 7.5 percent of the nation's AFDC population, New York City should have some influence over federal policy. "While welfare programs (and income redistribution) are primarily a federal responsibility, the city can show the way by restructuring its social service and training programs to help people make the transition from dependency on welfare to working, productive lives."

In the first year since New York Ascendant was released, New York City government has developed one program which could be a model for the nation. Some other important policy changes prescribed by the Commission remain without action at

this point.

EASING THE TRANSITION FROM POVERTY TO ECONOMIC INDEPENDENCE

Impoverished Female-Headed Families with Children

As this report is being written, Congress is negotiating a welfare reform bill, following passage of somewhat different versions by the Senate and the House. New York City has what can be considered its own welfare reform proposal, Opportunities for Independence (OFI). This program is far more ambitious than either federal version, although not as ambitious as the Commission's proposals. That New York City has designed its own program aimed at helping people make the transition to working, productive lives is a step in the right direction.

OFI is a demonstration program that will significantly enhance work incentive benefits, provide child care and medical care, and offer training and education for those who cannot find work. Participants will also receive job retention counseling from an employment counselor who will, according to the proposal, function as a case manager. In each of these program elements, OFI is consistent with the directions presented in New York Ascendant. In its requirement that employment options have to be exhausted before education or training is offered, and in limiting participation to women with children three and older who have been receiving AFDC for nearly a full year, OFI differs from the Commission. Much lies ahead -- the successful negotiation of waivers from the state and federal government, implementation and evaluation of the pilot in six welfare centers, refinement of the program, and if all goes well, expansion.

Unemployed Men Who Live Alone

New York Ascendant described the strong relationship between the poverty of female-headed black and Hispanic families with children and the economic disaffiliation of black and Hispanic males. It recommended interventions for both groups. "Impoverished single males, who have had little or no conventional work experience, should be a second major target of social service policies. Indeed, there is a distressing symmetry between male joblessness and female-headed households among blacks and Hispanics: The rise in the proportion of black and Hispanic males either unemployed or not in the labor force has consistently been matched by the rise in the proportion of non-white families headed by women."

Though only a small demonstration program, OFI is a significant change in city policy aimed at the heart of the Commission's concerns about poor female-headed families. There is no single new action nor set of actions that can be defined as an equally significant initiative assisting young unemployed men.

Perhaps this is because less is known about effective interventions for young men. The Commission argued that, "While private-sector jobs will have to be the principal source of employment in the long run, government can and must play an active role as employer, trainer, and placement counselor to link men with permanent jobs. It can do this in part by reorganizing and coordinating its education, hiring, contracting, economic development, and training policies. In addition, as the largest single employer in the city, the city government must increase its efforts to attract and train low-income males for government jobs."

Some small, relatively hopeful efforts have been initiated which include both men and women. While HRA was the first city agency to require that contractors hire one welfare recipient for every $250,000 of business, expansion to other agencies has been slow and difficult. The Department of Employment is moving to increase the links between its programs and civil service jobs. It is beginning workshops on preparation for civil service exams at its Training, Assessment and Placement (TAP) centers, and will be establishing a contracted Civil Service Training Academy and an apprenticeship program for civil service jobs. Much more remains to be done, particularly in reaching young men at the middle- and high-school levels, and developing specific career paths to city jobs. Even tougher will be gaining contractor and union cooperation in bringing poor New Yorkers into the construction trades in large numbers. Tough as this will be, the city should take advantage of the opportunity presented by its plan to rebuild its capital plant.

Teenage Parents

The Commission's emphasis on preventing long-term dependency by easing the transition of welfare recipients to economic independence faces many obstacles. One of the most serious set of problems are those faced by impoverished mothers who have had their first child as teenagers: "While almost half the women who are admitted to AFDC leave within two years, non-white unmarried high school dropouts average about ten years on AFDC. In New York State, 60 percent of welfare costs are accounted for by the families of women who became mothers in their teenage years." For this reason, the Commission said "The city must do what it can to discourage

teenagers from becoming pregnant, and it should redouble its efforts to discourage unmarried teenage mothers from becoming pregnant again." Noting that "even the most effective efforts to reduce teenage pregnancy will lessen but not eliminate the problem, better ways must be found to allow teenage mothers to complete their education and find employment." While some additional efforts are underway they fall far short of the significantly increased effort the Commission hoped for.

The State Teenage Services Act requires a citywide program serving pregnant and parenting teenagers receiving public assistance. The goals of the program are those defined by the Commission -- avoiding repeated pregnancies, completing education, strengthening families, and assuring that the needed health and supportive services are received. The legislation mandates that services be fully operational by April 1, 1988. HRA did not meet this deadline and is establishing an initial group of programs in six locations which it claims will be operating by September. This initial group of programs will serve all of the community districts defined by the Commission as having the highest concentrations of poverty and dependency. HRA has also expressed its intention to incorporate into these programs the Commission's emphasis on encouraging teenage mothers to remain in the parental home.

Other city agencies have a key role to play. The Board of Education's Living for Young Families Through Education (LYFE) centers have earned an excellent reputation for educating young mothers while providing good child care for their children. The planned opening of five new centers this past year was delayed due to problems of space. Despite the space problems, more of these centers -- a good deal more than

the five now planned -- are needed. Use of mobile vans and temporary facilities should be undertaken. The proposed addition of school-based health clinics in 20 junior high and high schools (to the fifteen currently in existence) was not funded in the city's budget.

EARLY INTERVENTION AND CASE-MANAGED SOCIAL WORK

The AFDC population in the United States has been the subject of considerable research in recent years. The conventional wisdom now defines three general patterns of AFDC use. The first and smallest category, those who have temporarily fallen on hard times, is the group for which AFDC was originally designed. This group generally leaves AFDC within two years and does not return. The second and largest category are those who receive AFDC benefits intermittently. Many intermittent AFDC recipients become permanently independent within two years while many others become members of the third category, chronic long-term recipients. Obviously, it is the chronic, long-term recipients, many of whom have little education and few work skills, and who frequently first became mothers when teenagers, who are most in need of assistance to lead independent lives. In the Commission's view, assistance should be provided early and attentively: "Troubled families would be better served by a highly personalized early intervention system in which each family would be assigned a case worker who would be there to provide support services as soon as needed." Doing this effectively requires not only the efforts of HRA, but a re-emphasis on community-based organizations, like settlement houses, and funding mechanisms to enable schools and health care programs to provide social work services to families.

In this first year since the release of New York Ascendant, such programs as the Housing Alert and Case Alert programs and the HPD Special Initiative Project have started. These programs are aimed at ensuring that temporary crises do not turn into full-blown catastrophes and preventing the loss of public assistance entitlements. They are not designed to provide links from dependency to independence. One promising pilot project, the Multi-Problem Family Demonstration Project, shares the goals and contains many of the components proposed by the Commission. Families are referred to the project by the Housing Authority, Board of Education, and Department of Housing Preservation and Development. An evaluation of this project will be available soon. However, a meaningful strategy to address the Commission's concerns regarding early intervention and case management has not yet been developed.

Neighborhoods

The Commission proposed concentrating basic services in a coordinated, neighborhood-based model, "under the leadership of a strong manager based in the neighborhood but supported by City Hall." This recommendation, has to date generated little enthusiasm within city government, even though two early efforts of the Koch administration -- in Washington Heights and in Bushwick -- would lend support to this concept.

Successfully reducing poverty and dependency remains the toughest and most

important challenge facing the city in part because of the limited authority of local government. Reorganizing already existing and funded services is difficult. Because of the expense involved, new programs need to convincingly demonstrate long-term payoffs. Some of these demonstrations have been designed, others have not. As the state and federal governments have become more receptive to efforts to prevent dependency, New York City's leadership becomes more important than ever. In its concern for poverty, the Commission noted that New York's poverty was not new, that New York has always been a city of rich and poor. Indeed, for much of its history, the city was not only poor, the objective conditions under which the poor lived -- their housing, nutrition, and health care -- were even harsher than today. Yet earlier impoverished New Yorkers had something that many of today's poor lack: they had faith that their own work would pay off for themselves and their children, that their poverty was a temporary condition. They witnessed the upward mobility of their children, and were supported by community institutions. This view has been reinforced by the recent work of many scholars. Ultimately, only a city that demonstrates a similar sustained combination of economic growth, targeted early intervention, strengthened neighborhoods, and better education and training can truly make a difference.

EDUCATION

Nearly 90 percent of the jobs to be added to the economy between now and the year 2000 will require a high school diploma. Yet only two–thirds of the city's students graduate from high school — and many of those who do are unprepared for life and employment. To everyone who comes to New York seeking a better life, the city owes the chance to succeed. To restore the public education system to its former greatness and to provide the best educational opportunities to the most students, the system's governance must be restructured to serve the needs of the classroom. Students, teachers, and principals should be able to choose their schools whenever possible. High standards and a traditional core curriculum should be required of all students, and principals and teachers must be given the professional independence they need to educate their students. With professionalism should come accountability.

Education is at the core of our lives and our society. It must be fully integrated into the life of the city. Each school should be clean, well–maintained, and welcoming. The school should be seen as the center of the community — the neighborhood's most important gathering place — and the responsibility of not just parents and teachers but all New Yorkers. Education is one of the limited number of areas in which we believe the city and state will have to increase funding for both operating and capital budgets.

Fundamental to the Commission's vision was its argument that as the long-term solution to poverty and dependency, education must have the highest priority. In the year since the release of the report, education has moved to the front of the public debate and has been given the highest priority by the city and state governments. This past year, a new Chancellor of the New York City Public Schools, Dr. Richard Green, was appointed, commencing his term on March 1, 1988. On June 15, 1988, he issued a report, "100 Days" that maps out his vision of changing the public schools. This plan is to be followed by a more comprehensive and detailed five-year plan to be issued by June 1989. In the Chancellor's plan, and in virtually every public and private action described, the directions prescribed in New York Ascendant have been embraced. The education system has proved very difficult to move in the past, and is unlikely to prove any easier today. Implementation of programs has always been the stumbing block, and implementation cannot be assessed quickly. Because of the transition in leadership at the Board, we can discuss plans, but must wait to evaluate success.

REORGANIZE THE STRUCTURE

"The school system's ability to educate its students is the only true criterion for measuring its success." In arguing that the system's structure was not serving the needs of the student and the classroom, the Commission proposed a series of changes in the governance of the education system, from the composition of the Board of Education itself to accountability for each school. The executive branches of both the city and state governments accepted the Commission's recommendation that central

Board members be appointed by the Mayor based on recommendations from a screening panel. Despite this support, the proposal was not passed by the state legislature. Neither has a thorough and detailed review of decentralization been undertaken. In its place, the Chancellor has initiated some steps to make decentralization work more effectively by (1) reorganizing the central office gradually over the next year; (2) increasing the level of consultation with local school districts; and (3) reallocating resources -- $28 million in the first year and another $28 million in the second year -- from central office to the field. The Commission's argument that the central administration's role should be to serve the needs of students and the classroom is echoed in the reorganization plan's first guideline that "the central office exists to support the schools."

The Chancellor's ability to move the system, replicate success, and force schools that are failing their students to try recommended programs and techniques for improving student performance has been strengthened in the past year. Two outside decisions reached in December 1987 were helpful: the State Supreme Court upheld the Chancellor's authority to close or reorganize schools when necessary (this decision is being appealed), and the State Department of Education agreed to have the Board's performance standards be the sole process for school assessment and improvement. In the school year just completed, 13 elementary, 3 middle, and 8 high schools were placed under review for failure to achieve minimum standards. Each school submitted plans for improvement in the spring of 1988. As part of the Chancellor's efforts to replicate the many outstanding programs and improve or eliminate the less productive programs in the system, the Chancellor has requested more latitude in moving tenured principals to schools as need dictates. This is currently opposed by the Council of

Supervisors and Administrators.

THE ROLE AND STATUS OF TEACHERS

In the Commission's view, teachers in New York's public school system have been operating within a factory-like structure. The traditional elements of professional status -- involvement in decision-making, continuing professional development, collegial contacts, a supportive physical environment, significant autonomy over work materials, accountability with rewards and sanctions, career ladders, para-professional assistance with non-professional tasks, choice of workplace -- are all necessary to free up the talents of teachers for their most important task, teaching.

The new contract with the United Federation of Teachers offers significant improvements. While it does not include merit pay or specifically deal with the need to create master teachers, it does include a wide variety of measures to increase professionalism -- including a peer intervention plan, a system to mediate disputes between teachers and administrators, and a school-based option program that will allow teachers and administrators to waive all contract provisions and Board regulations in individual schools. In addition the Board has received a Task Force report on professionalism that promises even greater changes. Also the Chancellor has taken an important symbolic step by recommending the elimination of perhaps the most notorious symbol of the factory model in schools, timeclocks for teachers. By September 1988, when the next school year begins, the Chancellor has said all timeclocks for teachers and administrators will be eliminated.

RESHAPE EDUCATION

As the Commission noted, nearly everyone agrees on the importance of proper education in the early years. Recognizing that "some parents will need help carrying out their role in their child's education," the Commission recommended that adult literacy courses be available to all who wish them, with special efforts to encourage parents of young children to enroll. A survey of students enrolled in the Board of Education's Adult Basic Education Program completed this school year demonstrates the potential value of adult literacy courses for current students in the public school system. The 2,930 adults surveyed were parents to 4,852 children -- 1,559 pre-schoolers, 1,863 elementary school children, 881 junior high school students, and 549 high school students. The demand and utilization of adult literacy services grows as such services are made available. This year, the city is contributing $14.2 million directly in its budget to support these programs. New York has tripled its program since 1984, and now serves 45,000 adults in 300 sites -- schools, libraries, college campuses, union halls, community centers, and work places. Yet a survey conducted in November 1987 found that over 13,000 adults were on waiting lists. One immediate barrier to expanding adult literacy courses run by the Board is the availability of space.

The Board of Education programs for younger children have increasingly been oriented towards parental involvement. Project Giant Step, the pre-kindergarten program, was open to more than 4,000 students this past school year and will add another 1,500 new children this coming year. A literacy and life skills component for parents was added. A new curriculum aimed at teaching parents to read to their

children will be pre-tested at several sites this coming year. This summer the Board ran a new $2.5 million summer kindergarten program for children entering first grade without prior school experience.

The Commission's emphasis on the early years is reflected in its proposals regarding class size. While viewing reduced class size as desirable at every level, the Commission set priorities for class size reductions. "Until the resources are available to reduce class size dramatically in all grades, we recommend making the largest reductions in class size for the youngest pupils, and more limited reductions in other grades." The Board has pursued this policy with adjustments made for space constraints. This past school year, there were minor reductions in class size for kindergarten, and grades one, two, and three. The number of classes exceeding 28 students in the lower grades was reduced by 30 percent, and para-professionals were assigned to each class. Further reductions in class size were effected in 67 schools and additional support staff were provided in 83 schools where space did not permit class size reductions. An additional $7 million has been allocated for the coming school year to increase the number of para-professionals in kindergartens.

THE CAPITAL PLANT

As the references to space constraints make clear, many of the Board's efforts to improve education are hampered by gravely inadequate physical conditions. "Fulfilling these hopes for an improved education system will require more money." When the Commission's report was released, the city's 1986 ten-year capital plan included $2.1

billion for education, 4.6 percent of the total capital plan. The new ten-year capital plan, issued in May 1988, includes $5.2 billion for education, 9.1 percent of the total capital plan. Perhaps most impressive is the allocation of $2.1 billion for new school construction, nearly four times the allocation in the prior plan. The Board has made the creation of an independent school buildings authority to speed the pace of new construction, its highest legislative priority. Despite support from the city and the Municipal Assistance Corporation, the state legislature has not yet passed this legislation. The commitment of funds will permit more and better space to be available. A new authority could make the space available more quickly, reducing the time to construct a new school or modernize an existing one from between eight and ten years per school to between three and five years.

The Commission also noted the importance of school size, and proposed dividing large middle-level and academically troubled zoned comprehensive high schools into smaller "schools within a school." This spring the Board asked each of the 61 neighborhood high schools to divide into smaller schools. Planning has begun in many schools and in at least one case, Erasmus Hall High School, the entering class will start in mini-schools this September.

The Board is also addressing a more immediate need in its capital plant. In May 1988, the new Operation Scorecard program for school buildings identified the 27 worst schools. The Board has promised to make the needed repairs in those 27 schools by the fall of 1988.

USE THE COMMUNITY

"As an institution that is centrally located, equipped with recreational and cultural facilities, and of direct interest to large numbers of people in a neighborhood, the school is potentially the most important gathering site in any community." As the Commission noted, a major obstacle to greater community use has been the custodian contract. The new contract, which became effective on July 1, 1988, significantly reduces costs for school openings on weekday evenings and weekends and will allow the equivalent of every school to be open one day a week from seven in the morning to ten at night, free of charge. This same contract should also have a significant impact on school maintenance -- particularly given its reduction of the painting cycle from 32 years to 5 years.

In the Commission's view, not only should the schools be used to enrich the life of their communities, "all should be welcomed to enrich the life of the school, during the school day as well as after hours. Schools should see the resources of New York City as resources that are available to their pupils." The Commission noted that individual schools with energetic leadership were able to bring in artists, businesses, and colleges seeking to share their resources. While the Commission saw this as good, it was disturbed that the resources were not generally available throughout the system. Efforts to bring a more systemwide enrichment have begun.

In April of 1988, the Department of Cultural Affairs released "Reaching Out," a report on the arts education and public programming of the city's cultural institutions. With the release of the report, Cultural Affairs Commissioner Mary

Schmidt-Campbell and Chancellor Green announced that they would seek to create a uniform cultural education program for the schools, through curriculum development, cooperation between arts organizations and local schools, and the integration of the arts into classrooms.

The business community's assistance to the public school system has also increased and become more systemwide. The Board is organizing an advisory group of corporate and education leaders to promote school-business initiatives, and leverage business resources for the schools. With support from the School and Business Alliance (SABA), the Board is currently establishing a database of all school and business partnerships. The long-term goal is to match each school with at least one assisting business or corporation. New York Working, a SABA program to coordinate all aspects of employment programs in schools, including work experience and access to jobs with career ladders, will begin this September in six high schools. The program is administered by the New York City Partnership.

One major initiative from the voluntary sector is the establishment of a Public Education Fund through a group of New York Foundations. Funds raised will be used as seed money to test experimental programs and services.

The Board is also seeking to expand its collaborative ventures with colleges and universities. To this end a collaborative of public and private institutions of higher education is being created. Its mission statement and action agenda are being developed this summer. A study of current programs and a program implementation plan will be ready in January 1989. The Board is also working with the Archdioceses of

New York and Brooklyn to determine what lessons can be learned from their successful schools.

MORE RESOURCES

Education is the one area in which the Commission recommended a major recurring increase in both operating and capital budgets. In addition to the dramatic increase in the city's capital budget commitment to the Board of Education, the Board will be able to spend an additional $125 million on new programs through a combination of increased federal, state, and city funds, and productivity savings. The priorities established by the Board -- early childhood education, building maintenance, work-study, enhanced school staffing, staff development, preventive programs to ensure mainstreaming of students -- match the priorities of the Commission.

More money will be needed. The Commission argued that, "City government must be prepared to do its part, although fairness requires that a larger share of money for education come from the state." Even though state education aid will increase this year, the basic unfairness will remain -- despite a vigorous lobbying effort aided by greater support from New York's business community. In the coming year, New York City schools will receive only 33 percent of state education aid while serving 36.6 percent of New York State's students. While the state has created a commission to study the distribution of education aid, the impact of this on the actual distribution of aid remains to be seen.

This is a hopeful time for education. Virtually every segment of the city has recognized the overwhelming significance of education to the city's future, and virtually every segment is seeking to increase and improve its contribution to better education. This year has seen more money allocated, plans developed, and collaborative mechanisms created. The agenda that has been defined is strikingly consistent with the agenda of the Commission on the Year 2000. The difficulty of improving education in the absence of today's cooperative spirit has been demonstrated. The task will be only somewhat easier with that spirit.

HEALTH

The city's extraordinary mix of public and private health-care facilities, a mix unmatched anywhere in the world, should mean that every New Yorker has access to good health care, regardless of ability to pay. Despite the overall improvement in health as demonstrated by reductions in the city's death rates over time, many neighborhoods still have unacceptably high rates of infant and neo-nate mortality and morbidity, hypertension, mental illness, alcohol and drug abuse, nutritional defects, and sexually-related diseases. AIDS alone poses problems of frightening dimensions.

The Commission's primary concern is to improve the health care of those who are not adequately cared for today, and to provide the right combination of services to handle growing health problems. The city government spends some $4 billion on health care — money is not the major problem. Rather, what is needed is a reorientation of health-care resources, and the development of a new financing system, including insurance vehicles to support the reconfigured health care services. In the immediate future, the city will require improved case-managed ambulatory, primary, and preventive care and increased in-patient and community-based care for long-term illnesses, particularly for AIDS victims, and frail-elderly and mentally ill persons. To improve its services, the Health and Hospitals Corporation (HHC) should move towards the independent operation of its hospitals.

To develop a detailed plan and a mechanism that is powerful enough to restructure all health services in the city, a joint city-state working group of public, private, and voluntary health-care providers and major insurers should be established.

Demand for health care services -- particularly for sick infants and persons with AIDS, tuberculosis, mental illnesses, drug abuse problems -- increased so quickly in the past year, that it virtually eliminated the excess in-patient acute care capacity in existence one year ago. This increased demand makes the Commission's basic strategies all the more important. The need for a mechanism to bring about an overall restructuring of the system with improved case-managed ambulatory, primary, and preventive care and increased in-patient and community-based care for long-term illnesses is made more, not less important, under current circumstances.

CASE MANAGEMENT

"Many poor New Yorkers do not seek appropriate medical help until a problem has become acute. This delay can lead to serious illness and long recovery, and result in uncontrollable costs to the city." Thus the Commission said that case-managed care, which provides continuity of care through regular medical oversight, should be expanded and public education about its availability should be widely provided. While the concept of case management is not new and exists to some degree in many parts of the city's health care facilities, expansion of such programs to attract and serve a wider population -- particularly among the impoverished -- is needed.

"One way in which continuity of care at reasonable cost can be provided is through health maintenance organizations (HMOs), which are pre-paid case managed health programs." The Commission advocated an increase in the use of HMOs by both public and voluntary bodies. Changes in state legislation in 1986 permitted for-profit

HMOs with links to the major voluntary hospitals to begin to establish a base in the city during 1987. First year enrollments were less than expected, but over the next several years the for-profit sector, along with a Blue Cross/Blue Shield HMO, should continue to grow and will be required by state law to enroll Medicaid and Medicare recipients.

Publicly-supported HMO activity is growing slowly and carefully. HHC is developing a significant HMO to be based on a consolidation and expansion of pre-paid case-managed programs serving Medicaid clients, the working poor, and District Council 37 members at Metropolitan and Bellevue Hospitals. Should this program be successful, new HMOs will be created in other locations. A similar effort by HRA has developed out of the December 1987 report of the Mayor's Task Force on Medicaid Services. HRA appears likely to receive the necessary state approvals for a prepaid managed care pilot project for 35,000 medicaid recipients in one area of the city.

The Commission argued that early case management and continuity of care is particularly important for pregnant women and young children, and called for comprehensive infant care programs including family planning, pregnancy planning, nutritional services, prenatal care, and childcare services. The need for these programs was highlighted when the city's already high infant mortality rate increased in 1987, the first increase in fifteen years. The Mayor's Women's Health Initiative (WHI), begun in 1985 to reduce infant mortality, is expanding its efforts through HHC and the Department of Health (DOH) to increase the number of participating women. DOH began a second phase of the initiative this past year by concentrating 65 public health personnel in the four areas of the city with the highest infant mortality rates

with a goal of serving 60 percent of all pregnant women in those areas. The success of these initiatives is being evaluated. In addition, the effort is expanding into five more areas this year. Under the capital budget DOH will rehabilitate ten separate child health facilities to make them more appropriate for comprehensive family programs. HHC's four Pediatric Resource Centers expanded their service by 42 percent (from 15,594 to 22,189 children) during the past year, and have begun to target high risk children.

The Commission noted that because many families needing comprehensive childcare services are now uninsured, the city should work with the state to provide a fully-funded bad debt and charity pool. Attempts at the state level to extend Medicaid to working poor women with children under age six were unsuccessful. But increases in Medicaid income eligibility levels to 100 percent of the poverty level and the first-time coverage of poor two-parent families under Medicaid appear likely to receive state legislative approval very soon. The recently adopted comprehensive insurance plan to cover all uninsured people in Massachusetts provides a model worth examining for New York State.

PUBLIC HEALTH LEADERSHIP

"Just as public health successfully handled such threats as measles, mumps, rubella, cholera, scarlet fever, and legionnaire's disease, so it must marshal its resources to face a range of current health problems, including AIDS, the most serious threat in decades." The Commission suggested DOH define the city's health areas of

greatest need and act as a catalyst for the creation of new programs. Even as the Commission was deliberating, DOH was playing a more active role. Its Homeless Health Initiative, Infant Mortality Initiative and Division of AIDS Program Services are all newly established. In addition, the Commissioner of Health is chairing the Mayor's Task Force on AIDS and the Commission on the Future of Child Health.

There are now at least four groups providing guidance in the fight against AIDS. The Citizens Commission on AIDS, funded by foundations and corporations in New York and northern New Jersey, was formed to support and stimulate leadership in the metropolitan region. Its first action was to produce a set of ten principles for responding to AIDS in the workplace. The New York City AIDS Task Force, sponsored by the Health Systems Agency (HSA), and chaired by City Health Commissioner Stephen Joseph, first met in March and is developing a comprehensive public/private plan for serving people with AIDS. This plan will address data, models of care, resource and manpower needs, and prevention and education. In July 1988, the Mayor appointed a committee of public and voluntary hospital representatives to define ways to ensure that each sector provides its proportionate share of inpatient service to AIDS patients. The Mayor's Interagency Task Force on AIDS, also chaired by the Commissioner of Health, released its first report in May 1988 outlining a comprehensive plan for local government programs through 1991. The city's budget for AIDS-related services has increased from $137 million in 1987 to $333 million in 1989.

Nonetheless, controversy regarding the city's preparedness exists, and even the most optimistic projections suggest that several crucial needs will not be met. The

Commission recognized that more acute care beds would be needed to serve AIDS patients. The Mayor's Task Force observed that the additional 500 acute care hospital beds for all uses authorized for the city by the state is only half that necessary to meet the rising demand from AIDS by 1991. As 430 beds were eliminated earlier this year, this constitutes only a 70 bed increase. Similarly, the Task Force states that the 70 new long-term care AIDS beds to be added to HHC's current supply of 40 must be supplemented by additional beds and increased acceptance of AIDS patients by private and voluntary long-term care facilities. The state recently approved plans for the first unit of a nursing home to be specially designated for AIDS patients and hopes to generate 800 to 1,000 such beds from current applications.

Hospices, home-care, and housing for AIDS sufferers are all growing needs. Many patients who would otherwise be occupying hospital beds would be best served in these settings. While the new capital budget earmarks $25 million for the development of residential health facilities for AIDS sufferers, additional housing plans will certainly have to be included in future budgets. In addition, HRA is planning to more than double its rental assistance program and its home-care services for persons with AIDS by 1991. HRA's consolidated case-managed services now serves 1,400 AIDS victims, one-fifth of the people with AIDS in the city.

The Commission's report spoke of drugs in the context of crime and the destruction of neighborhoods but did not pay sufficient attention to the impact of drugs on several health problems. Indeed, virtually all of the fastest growing health problems in the city have some link to drug use. Intravenous drug users now form the majority of AIDS patients and the disease is spreading most rapidly among intravenous

drug users, their sexual partners, and their children. The city's plan for an increase of 3,500 methadone maintenance slots located in HHC and DOH facilities must be approved and funded by the state. The Governor has expressed his intention to add 5,000 slots throughout the state. As there are more than 1,000 persons awaiting drug treatment at this time it is difficult to assess the adequacy of these additions. The principle to be followed should be that drug addicts seeking treatment should not face long waiting lists.

Recent criticism from federal and state agencies has called the city's AIDS plan inadequate. Two revised estimates point in opposite directions regarding the city's needs beyond 1991. The city now projects that the number of gay and bisexual men infected with the AIDS virus is 50,000, a dramatic reduction from the prior estimate of 250,000. This reduces the projection of all people infected from 400,000 to 200,000. (DOH has correctly pointed out that that revision will not diminish the service needs projected through 1991). The estimate of the proportion of those infected who will become sick has increased beyond the 70 percent mentioned in New York Ascendant. The continuing controversy and uncertainty raises serious concerns regarding how well the city is prepared for the years beyond 1991.

Planning for and providing services to deal with the AIDS crisis will continue to be difficult. One immediate goal is to produce a widely accepted analysis of the scope of the problem so that a long-range plan can be fairly evaluated and a consensus on what is needed can be reached. The costs of meeting those needs are staggering. As New York Ascendant stated, all levels of government, as well as private health insurance carriers, will have to help pay for the care of AIDS victims.

THE HEALTH AND HOSPITALS CORPORATION

New York City's Health and Hospitals Corporation deals not only with every kind of serious (and often neglected) medical problem, but with all the social ills of the poor living in the modern city. It does so under institutional constraints more difficult than those faced by most hospitals. In the Commission's view, even with the vigorous efforts to improve the management of HHC hospitals, "there is no prospect under the present arrangement for these hospitals to achieve the efficiency and quality that characterize the country's best hospitals." For that reason it argued that HHC "must move decisively to allow its hospitals the operating freedom enjoyed by the country's best hospitals." HHC is now developing a strategic plan for its long-range future. Since this plan is not yet publicly available we cannot assess how responsive it will be to the Commission's concerns, though early drafts would seem to indicate movement in the direction of the Commission's recommendations.

DEVELOPING COMMUNITY-BASED HEALTH CARE

Because "certain special medical needs are best treated in community-based facilities," the Commission called for a well-funded community-based service system to provide care, particularly to the mentally ill, the frail-elderly and persons with AIDS.

One of the Commission's prime health concerns--that the state must live up to its responsibility to provide long-term and interim-care hospital services for the mentally

ill as well as more community-based services--has changed only slightly. By the end of the century the city will have added 330 acute care psychiatric beds to the city's voluntary and municipal systems' current base of 2,958. The adequacy of this expansion depends almost entirely on the size of the other elements in the mental health system. The state's overly conservative projections of total bed need and overly optimistic projections of the rate of patient turnover could lead to a worsening of an already shameful situation. The city believes that state estimates of a 1991 need for 5,700 community-based beds is low (only 2,500 beds now exist) and that over 1,500 beds must be added by 1989 alone. The number of state extended- and intermediate-care beds in the city has actually been reduced. One useful community-based approach for the mentally ill which is being expanded is case management. This year the state will hire 200 case managers in New York City for chronically mentally ill and homeless mentally ill persons. As case managers are most effective when a full range of services is available, the impact of this action will be undercut by the inadequacy of the overall service system.

Community-based care for the elderly has increased substantially over the past year, albeit only for the poorest -- those on Medicaid. HRA's home-care clientele, including some disabled, increased from 60,000 to over 71,000 in the last year. Further increases are expected as three new intake offices to determine eligibility are added to the existing eight offices. While firmly committing over the past year to two new skilled nursing facilities totalling 600 beds in Brooklyn and Queens, HHC has had to put its plans for day care facilities for the elderly on hold due to a state-wide moratorium. Department for the Aging (DFTA) home-care programs, primarily for the indigent non-Medicaid population, have not expanded. In cooperation with the

state, DFTA has reorganized its in-home services for the non-Medicaid elderly to include case management.

The development of a comprehensive long-term care insurance program for the elderly continues to move slowly at all levels of government. The state has begun to explore a joint public/private insurance demonstration project. In December 1987, the Mayor's Task Force on Medicaid Services recommended that Medicare add a new component to finance long-term care benefits. This year's presidential election has made long-term care insurance a nationally debated issue. What is happening even more slowly than the development of insurance models is the creation and expansion of long-term care programs for the elderly which provide a spectrum of services in home care and specialized housing. Perhaps, as with other types of services, the certainty of funding will have to precede the development of services. But it is clear that new services and funding models are needed, and needed relatively quickly. The city's elderly are becoming older, frailer, and poorer, and are more likely to be single women living alone in rental housing. It would be tragic if elderly people, in need of modest health care which could be delivered more humanely in community settings, become a major factor in increasing the strain on the city's hospital-based services and services to the homeless.

THE FUTURE

Having identified a broad set of changes for the delivery of health services, the Commission concluded that, "A political solution is necessary. The city's public

institutions together with its independent teaching hospitals and other voluntary institutions must act as a single system of health care that ensures that the same access and high standards apply to all patients. We need a mechanism that is powerful enough to bring together the disparate elements of the health system, and which would be empowered legislatively to effect the necessary changes. The Commission recommends as a first step a joint city-state working group whose members will include the two levels of government; labor; public, private, and voluntary health-care providers; and major insurers."

Having lost its federal funding and been rendered ineffective in recent years, the New York City Health Systems Agency is now undergoing a board-sponsored examination of its future role, possible powers, and degree and kind of representation. It intends to play a more active role in planning. The city's major health institutions are involved with and supportive of this re-examination, and city government is playing a major role through HHC. However, the state legislature is threatening withdrawal of HSA's funding. The HSA-sponsored New York City AIDS Task Force constitutes an important test of the new HSA's and the state's ability to move the health care system in needed directions. The mayoral appointed proportionate share committee, also including representation from the public and voluntary sectors, is another attempt at getting the entire health care system to act as one in responding to the AIDS crisis. The first step is for these groups to reach consensus.

The Commission recognized the importance of a city-state partnership in order to achieve the changes needed in health care. What is still missing is the ability to turn consensus into a more equitable and integrated health care system. Given the increased need to reshape the health system as the Commission recommended -- to improve case-managed ambulatory, primary, and preventive care and increase in-patient and community-based care for long-term illnesses, particularly for AIDS victims, and frail-elderly and mentally ill persons -- if real change does not result in the near future, a new city-state mechanism will be even more urgently needed.

CRIMINAL JUSTICE

New York City's crime and its reputation for crime undermine its status as a world city, and incalculably damage its neighborhoods and communal life. The criminal justice system cannot stop all crime, but it can do far more than it is now doing. Our recommendations can be summarized by one principle: Build respect for the law by ensuring that every encounter with the criminal justice system is met swiftly with stern fairness. Criminal justice managers must be held accountable to a standard by which those arrested for violating laws are treated fairly and efficiently, and receive appropriate punishment if convicted.

As the system is made accountable, resources for criminal justice, particularly for the police, should be increased. Every prison cell should be treated as a scarce resource to be used for violent criminals. Non-violent criminals should be punished through a more serious use of such techniques as house arrest, community service, and true (not slipshod) probation. The system should be equally serious about rehabilitation, which has long been a failure.

As the Commission noted, crime has been increasing for decades, sometimes exponentially, and while reported crime dropped in the early 1980s, it rose in 1985 and again in 1986. The Commission rejected the idea that a shrinking pool of crime-prone youth and young adults would by itself produce lower crime rates in future years. In fact, in 1987, total felony and misdemeanor complaints rose by three percent from 1986, while total arrests increased by seven percent. The past year has also seen a rise in crime related to drug selling and use, particularly of crack, and a tense racial atmosphere that suggests a less, rather than a more, civil city. The Commission argued that with the exception of drugs, local government has sufficient authority to make a difference in fighting crime. It called for greater accountability, arguing that a single body needs to be identified and held accountable, and it called for a strategy that would ultimately reduce the growing need for prison and jail cells. While several reforms have been instituted in the past year, these two central elements of the Commission's strategy have not been adopted as local policy.

INCREASED ACCOUNTABILITY

In calling for a far greater degree of accountability for managers of the criminal justice system, the Commission noted that "The scattered and sometimes hostile elements of the criminal justice system hardly justify use of the word system as a description of what is an organizational mess. In criminal justice, we start with a system that is so gridlocked that each component (police, prosecutors, probation, courts) is overburdened with current work and reluctant to accept new work. While some components of the criminal justice system probably need more resources, the

first necessity is for each component to be made an accountable and efficient unit within a working system."

While specific elements of the system have been somewhat reformed, the Office of the Criminal Justice Coordinator believes that the Commission was too sanguine in its assessment of local authority. In the Coordinator's view "The accountability of the components of the criminal justice system recommended by the Commission is not one that can be achieved through conventional oversight techniques applicable to managers in agencies which are subject to the authority of any single official. Three separate governmental agencies are involved in the arrest, prosecution, and sentencing of offenders; the police, the prosecutors and courts have a constitutional independence of the executive branches of state and local governments."

Nonetheless, some specific reforms have been attempted. The Commission suggested that the management of the courts could be improved: "The courts in particular need both new procedures and more resources to increase trial capacity and speed up the processing of cases." The Mayor has consistently called for the state to increase the number of criminal court judges -- a request to which the legislature has partially responded by increasing the number by 23 judges in 1986 while planning to add another 17 in April 1989. The city believes, however, that even more will be needed. While the city believes that the number of prosecutors is adequate, improved procedures must be added to any increase in judges to assure speedier trials. The addition of special court parts has expedited the processing of narcotics felony cases. These are now operating in all boroughs except Staten Island. The newly funded $2 million consultant's study of the capital needs of the entire court system should help

bring some new technologies and efficiencies to the courtroom. A second consultant's study is aimed at reducing the time between arrest and arraignment.

The Commission also noted that the courts should teach respect, not contempt, for justice. Yet the current warrant-tracking system now managed by the Police Department is not computerized, is clogged with outdated warrants, and lacks strong sanctions for non-appearance. The Police Department believes improvement within the current framework will require a joint effort by city and state agencies, new state legislation to establish criteria for obsolete warrants, and increased resources to permit instant interaction among the system's computers.

In considering the overall resource levels within the system the Commission noted the need for proper balance. Nonetheless, New York Ascendant stated plainly that the city has insufficient numbers of police officers, particularly for neighborhood patrols and community work. Since July 1987, the Police Department has increased its resources in one successful program which works closely with neighborhoods -- the Community Patrol Officer Program, which is now in operation in 65 of 75 precincts (21 more than a year ago) with expansion to all precincts planned for this fall. However, this increase was achieved through the reduction of the Quality of Life Program which assigns officers to eliminate those disorderly conditions which the community perceives as unsafe. This year the Department also began the Tactical Narcotics Team (TNT) program to deal with street drug dealers and crack houses through arrests, as well as car, house, and other confiscations. Also the Mayor recently announced his intention to add 775 new officers to the narcotics division -- an increase of over 50 percent -- which may necessitate other resource allocations to deal effectively with

those arrested. In addition, the Commission urged an increase in the number of volunteer patrols. The Police Department agrees with this recommendation and has set a goal of more than doubling its current complement of 4,300 volunteer officers.

PRISON CELLS AS SCARCE RESOURCES

Perhaps most central to the Commission's proposals for a balanced use of resources is its recommendation that prison cells should be used primarily as a punishment for violent crimes and that lesser crimes should be met by other punishment, including neighborhood-based alternative sentencing. The Office of the Criminal Justice Coordinator currently oversees 16 state and city alternative sentencing projects with resources of $14 million (including $11 million in city funding). The level of funding for these programs remained virtually stable last year, and no significant expansion is planned for this coming year.

The practical ability of the system to treat existing cells as scarce resources depends on an effective probation system. The Department of Probation is now expanding several modest sized projects which have proven successful, including the Family Court Community Sentencing Project, expanded to Richmond County from the Bronx and Brooklyn; the Field Services Unit, which seeks to ensure compliance with conditions of release; a strengthened Restitution Services Unit; and an expanded job placement and training program. This year's budget provides a major increase in funding which will permit the hiring of 188 new officers and lower their average case load from 248 to 134. Drug testing will be instituted for all probationers, and high-risk

cocaine and crack abusers will be supervised by officers with caseloads of 75 probationers. After years of unworkably high caseloads, these initiatives are indeed welcome, although further reductions in caseloads may prove necessary.

At the same time, the number of jail and prison cells are quickly increasing. The city has added 1,347 beds to its correction system this past year and plans to add 2,578 this year (including 1,400 upstate). The current capital plan proposes to increase jail capacity to 21,970 beds by 1993. The previous 10-year plan included only $253 million for new capacity; the current one adds $495 million. The earlier plan projected a capacity of 15,900, which would be reached only by 1996; the city is nearly at that level now. The state is increasing the number of beds in the state prisons from 39,884 in 1987 to 46,754 in 1990. While such expansion plans may be valid based on a projected rise in arrests, detainees, and convictions, equal emphasis is not being given to alternative sentencing.

The Commission also called for a thorough and real approach to rehabilitation which would "prepare the person to return to society, giving him the tools that he apparently lacked for functioning as a responsible citizen." The state has instituted two new rehabilitation programs in the past year. The Earned Eligibility Program is designed to promote systematic rehabilitation planning for inmates starting at the beginning of incarceration. Inmates can earn a recommendation for parole from the Commissioner of Correctional Services upon successfully completing a rehabilitation program. Sixteen hundred certificates were issued in the first nine months of the program. The Shock Incarceration Program is a 6 month intensive "boot camp" where life skills and discipline are stressed. Strict eligibility criteria will limit capacity to

1,500. The city Department of Correction (DOC) recently began its first vocational training program and plans to expand to enroll 685 inmates in 1989 in eight different fields. In 1988, their educational services program was enlarged to include three vocational assessment centers. Their work release program is also being expanded to 200 inmates this year. As desirable as these and other initiatives in rehabilitation are, they are still small in relation to the size of the problem.

The written responses of the city's criminal justice agencies to the Commission's report were generally enthusiastic. Several needed actions have been taken by individual agencies. Two basic principles of the Commission appear to have been rejected. While the Commission recognized that more prison cells may be needed in the short run while the system is being reformed, it called for a more explicit and thorough approach to limiting the need in the future. The emphasis on new cells in the absence of alternative punishments suggests that the Commission's strategy has not been accepted. And while the individual elements in the criminal justice system may be as effective in New York as in other American cities, the Commission called for a higher standard, one which would require greater coordination and accountability to a local authority. If, in fact, the system as currently structured cannot achieve that higher standard, a restructuring of the system may be necessary to ensure that the disparate elements of the system act in concert.

HOUSING

While housing is a problem for many New Yorkers, it is a particularly serious problem for low- and moderate-income households, many of whom must spend well over one-third of their income on shelter. In its efforts to promote stable, strong neighborhoods, the city should (1) focus government efforts on financing and building low-income housing; (2) unswervingly pursue strategies to preserve and maintain housing; and (3) do what it can to ease the path of private developers who build housing for those who can afford market rates, particularly searching out opportunities for middle-income housing.

The challenge for the city is to find strategies that effectively provide housing without consuming resources the city needs for other services. The city should turn to the Housing Authority to build and manage low-income housing, and establish within the Authority a special division for rehabilitating city-owned buildings. The Department of Housing Preservation and Development should return to the two missions set forth in its name. It should (1) focus on the preservation and rehabilitation of housing through code-enforcement and housing assistance programs; and (2) become the central coordinator in the development of market-rate housing.

In the conclusion of New York Ascendant, the Commission argued that low- and moderate-income housing should be a higher priority for city government. "New York City in the last several decades took itself out of the housing business. It processed projects paid for by other levels of government, but it initiated little housing on its own. That has to change, and change dramatically, until the federal government again accepts its traditional role in housing."

Housing, especially housing for low- and moderate-income New Yorkers, has clearly become a higher priority for city government. While some of the Commission's specific proposals have yet to be acted upon, city government's increased commitment to housing is real and tangible. And, as with education, the number of cooperative ventures with the private and voluntary sectors is growing rapidly. The city's commitment, combined with some signs of improvement in the trends identified in New York Ascendant, permit us to be hopeful that, over the very long haul, New York's housing crisis will abate. We must also remember the difficulty faced in implementing the city's plans and the continuing impact on housing conditions of such factors as changes in household composition, the nature and extent of poverty, and the demands created by homelessness. Alleviating the housing crisis will be a long, hard struggle.

HOUSING CONDITIONS

Since the release of New York Ascendant, the results of the 1987 Housing and Vacancy Survey (HVS) have been issued. Issued every three years, HVS is the most complete source of information on New York City housing. It shows some change in

the city's housing situation, while confirming the basic accuracy of the picture presented by the Commission.

Despite a 27 percent increase in renter incomes in the last three years, the proportion of renter households with rent-income ratios above 40 percent remains virtually unchanged, with disturbingly high rent-income ratios concentrated among the lowest income households. "For many low- and moderate-income households, the market does not work." When the market does not work for a substantial portion of the population, government must intervene. The Commission called on city government to finance more public housing and to rehabilitate both occupied and unoccupied city-owned housing (housing originally taken from private owners for non-payment of taxes). This "in rem" housing is the only significant stock available to low-income families.

While no major increase in public housing construction is planned, the new $5.1 billion ten-year capital plan for housing (including an increase of $900 million in city funds) provides enough money to rehabilitate every structurally sound building in the city's stock, other than those that will be sold at auction. This money will finance the renovation and repair of all units currently held by the city and those anticipated to become city-owned through the in rem process over the next ten years. This commitment makes New York the leader in developing a plan to deal with its local symptoms of the national low-income housing crisis. The challenges here are to finish the rehabilitation efficiently, continue to assess the level of need, continue to pressure the federal government to assume its rightful responsibility and, if necessary, increase the city's own commitment.

Associated elements of the Commission's proposals have not yet been adopted. The city's capital program for housing remains the responsibility of the Department of Housing Preservation and Development (HPD). The Commission had recommended that responsibility for new low-income construction, the rehabilitation of city-owned buildings, and the long-term management of city-owned buildings, be assigned to the Housing Authority. While there has been an increase in cooperative ventures among the Housing Authority, HPD, and other city agencies to renovate, rehabilitate, and manage low-income housing, there has also been a reluctance to embrace the concept of the transfer of responsibility. This reluctance is based on the difficulty and complexity of such a transfer as well as a recognition of a potential major shift in the role of the Housing Authority that such a transfer would involve. The Authority points out that public housing was originally intended to house the working poor. Mindful of the current pressures created by homelessness, it also points to the Commission's statement that "In the short run, the city will have to continue its large shelter program. In the long run, most of this program should be replaced by a combination of low-income housing and support services. As the city and the Housing Authority develop low-income housing, they should follow the Authority's guidelines in tenant selection to ensure a healthy mix of working, welfare, and homeless families."

The difficulty of following the tenant selection guidelines in the short run is driven home by data in the current HVS, which shows a dramatic shift in the tenants in city-owned housing. Between 1983 and 1986 median income for all such households declined by 15 percent to $6,921 -- despite a 16 percent increase to $12,804 in the household incomes of residents not receiving public assistance. These figures represent a 37 percent increase in the number of in rem households receiving public

assistance and reflect the city's reliance on the in rem stock to house previously homeless families. (The Housing Authority, which is also affected by the homeless crisis, has an estimated 100,000 persons living in illegally doubled up apartments.) Further, the city's recently announced plan to move homeless families out of hotels will further increase the proportion of households receiving public assistance in both in rem and Housing Authority buildings.

All of this raises the question of the economic and social viability of both Housing Authority and city-owned stock over the next several years when a healthy mix of working, welfare, and homeless families may not be possible. Any plan for the long-term transfer of responsibilities should include a comprehensive examination of how to sustain the housing stock as the tenant mix in the immediate future becomes increasingly different from that recommended by the Commission.

Additional elements of the Commission's recommendations are being acted upon. The return of in rem property to responsible private ownership -- including local development corporations, non-profit developers, and conventional private owners -- is slow but accelerating. HPD's Vacant Building program, (3,000 units), the HPD Local Initiative Services Corporation program (1,000 units), and the Enterprise-Housing Trust Fund program (1,000 units) are all new initiatives that rely on not-for-profit organizations to rehabilitate low- and moderate-income housing. The 1,848 rehabilitated units that will be produced by the Construction Management Program will be managed by the Housing Authority and the Settlement Housing Fund. Further, as proposed by the Commission, HPD is now pre-qualifying not-for-profit organizations to own and manage low-income units and to train less experienced

groups to do the same. This year's expense budget provides for 71 additional staff to move a larger number of in rem buildings from city to non-profit and private ownership and management.

The Human Resources Administration's Plan for Housing Homeless Families is an important step in preparing to integrate the homeless into conventional housing. Some hope can also be found in the slowing in the rate of growth of homeless families. The continuing slow growth in the number of housing units in the city -- due to a 41 percent reduction in housing losses and a 34 percent increase in units returning to the stock over the last three years -- will also help.

This good news is tempered by other realities. The total number of households increased slightly in the last three years due to growth in two household types discussed in New York Ascendant -- single adults and single elderly. The city-wide rental vacancy rate increased slightly to 2.46 percent as the number of available vacancies increased by nearly 8,000 units or 20 percent. Perhaps most problematic is the extremely low vacancy rate for low-income households -- under one percent for units renting for less than $300. These factors suggest that the housing supply will not yield a major reduction in homelessness for several years. Further, HRA's plan, which involves more community-based family centers, is controversial and will face many political as well as operational obstacles.

Also controversial are the Commission's proposals to create new congregate and shared housing models. The Commission's focus on the elderly is backed up by the HVS data showing a one percent increase in single elderly households over the last three

years. There has been some increase in congregate housing models for the elderly and other special groups. The fear is that need will accelerate more quickly than supply. Cooperative ventures like the recently completed Valley Lodge and plans to renovate the Congressional Hotel are useful examples. The need for such models for special groups is increasing even as the overwhelming pressure of the current homeless crisis is unrelenting. As the competition for hospital space increases, congregate housing for the elderly becomes even more necessary. Proper planning and action now is needed to prevent what could become the city's next homeless crisis.

Shared housing is, at this point, an option that is unpopular among the elderly. The detailed planning necessary to create desirable options has not yet been forthcoming. Elderly households tend to be smaller and tend to live in larger and better maintained housing units than families receiving public assistance. However, the only new shared housing program is for public assistance families. Because of the need to accelerate the departure from emergency housing, HRA is initiating a pilot program to promote shared housing among public assistance families. As suggested by the Commission, this program removes the financial disincentive to sharing and actually creates a financial incentive for the family sharing its apartment. While this program can meet its immediate objective of reducing the number of homeless families, it is not a long-term solution to housing or social problems.

PRESERVATION and MAINTENANCE

The Commission's overall preservation and maintenance strategies involve a

tieing together of increases in building incomes and more rigorous code enforcement. "Our recommendations plus basic market forces should encourage more revenue to flow to the buildings, leaving little excuse for landlords to let their buildings deteriorate. Because the city cannot afford to lose more units, it must be rigorous about intervening early to punish derelict landlords." The 41 percent decrease of housing losses is a sign that abandonment has declined sharply and preservation and maintenance have improved.

There is, however, a difference of opinion regarding some of the tactics proposed by the Commission. This January, the welfare shelter allowance was increased, although the new levels remain below the Section 8 level (based on real housing costs) prescribed by the Commission. HPD disagrees with the recommendation that increases in the welfare shelter allowance be tied to strict code enforcement, arguing that a linkage would put welfare recipients at a competitive disadvantage with other tenants, making it even more difficult for this group to find adequate housing.

It is HPD's position that the broad rental assistance plan proposed by the Commission to be modeled on the Senior Citizen Rent Increase Exemption program cannot be implemented because it would be enormously expensive if funded by the city. In buildings in HPD's alternative management programs as well as buildings assisted through HPD low-interest loan programs (such as Article 8A and Participation Loan), the city provides federal rental subsidies in order to ensure that all low-income tenants can afford the rent increases required by the rehabilitation. The city will continue to lobby the federal government for additional appropriations to the federal Section 8 Rental Assistance program to provide these subsidies. These efforts are

useful but far more limited in scope than those put forth by the Commission.

HPD agrees that Housing Court has become ineffective. In order to enforce the violations it issues, the city has been advocating the establishment of an Administrative Tribunal to impose penalties and issue certificates of correction, ensuring that all violations are corrected expeditiously. Unpaid fines would become tax liens against the property as recommended by the Commission. HPD will continue to seek passage of this legislation in Albany.

The Commission was aware of the political volatility of any reform of rent regulation when it made its proposals for reform. Those proposals are based on the reality that "today's rent regulations do not achieve their basic purpose of keeping housing at affordable levels while not adversely affecting maintenance," and that "the system as structured is inequitable; it fails to protect those for whom it was designed; and it can result in inadequate maintenance in many regulated buildings." Specifically, the Commission called for decontrol of vacated luxury apartments "under a system that requires the landlord to make a substantial one-time payment to a housing trust fund. If a landlord participating in this program commits any fraud or harasses any tenant, his decontrolled units will return immediately to rent stabilization. The funds accruing from luxury decontrol would be a particularly appropriate source of subsidy for low-income tenants." Rent regulation is a state responsibility. This year the debate regarding changes in regulation was clearly influenced by the Commission's work, including the report, Toward the 21st Century: Housing in New York City, prepared by consultants to the Commission, Carol Felstein and Michael A. Stegman. The system remains unchanged at this point, but we can expect the debate to intensify

over the next several years with the issues raised by the Commission at the center of that debate.

HELPING THE PRIVATE SECTOR PRODUCE MORE HOUSING

To promote additional housing for higher-income households, a series of actions were proposed that would reduce costs and ease the development process.

The proposals for comprehensive code revisions have met with some opposition. The Department of Buildings argues that the code continues to be updated and changed when the need arises, for example, to reflect changing technologies. It acknowledges that the Building Code is one factor that hampers the construction of manufactured housing. Changes to the code which would alter this situation have not been proposed. The Department of City Planning is amending several discrepancies in zoning including those specifically mentioned in New York Ascendant. The citywide Quality Housing program, developed by City Planning and passed by the Board of Estimate in August 1987, is a significant action that will ease the construction of lower, bulkier, and less expensive buildings. City Planning has also agreed to review the Zoning Resolution to make it more readable and accessible, but is concerned that simplification may conflict with other goals. City Planning is committed to a review of broad but discrete zoning issues such as the designation of additional areas of the city for middle density rezoning.

Regarding the issue of corruption adding to the costs of housing, the Governor has

established an Organized Crime Task Force to undertake a thorough review of the issues. Its report will be available soon. The city has added $1.75 million for the New York District Attorney to create a special unit to combat corruption in the construction industry. The new concrete factory which the city helped establish to increase competition and reduce prices was delayed by a series of lawsuits and a change in ownership. Its impact cannot yet be determined.

PROMOTING HOME OWNERSHIP and HOUSING OUTSIDE MANHATTAN

In addition to the Quality Housing Program and zoning changes, some small pilot programs have been developed, which, if successful, could lead to broader scale efforts. HPD is working with the Archdiocese of New York on a cooperative home demonstration project to adapt the Nehemiah model to scatter-site housing. Two larger-scale programs are aimed at moderate- and middle-income households. The 3,000 unit Affordable Housing Program, announced in February 1987, is a cooperative venture between the city and the Real Estate Board of New York. The New York City Housing Partnership program is creating 5,000 units for homeownership. At this point we know of no plans for new concentrated large-scale housing developments of the type called for in New York Ascendant.

Much of a positive nature has happened in New York City's housing arena, and virtually all of it is local in origin. Yet, it is important not to forget just how

enormous the problem is. The city is to be commended for raising housing to the highest level of priority. There are many more steps to be taken and some extremely tough obstacles to implementing the commitments that have been made. No one in city government is claiming that full achievement of its plans will be enough. Even if all of the local proposals of the Commission are eventually implemented, pressure must continuously be brought to bear so that the recent federal abdication of responsibility for low-income housing is reversed.

TRANSPORTATION

New York City's very existence depends on its transportation network, elements of which have deteriorated to a shocking degree. In an all too real sense, our problem in transportation is that we have come to the end of the road. There is no major capital addition out there that will solve our problems — not a new bridge, or a new tunnel, a new subway line, or a new highway. Basically the transportation structure we have now is what we will have in 2000. We will have to work within these known limits by doing two things: first, we must rebuild the capital plant; second, we must use it properly.

Rebuilding the network will be expensive, and will require that all beneficiaries contribute. Using the system properly requires changing basic conditions so that mass transit becomes the preferred means of transportation. The city should discourage use of private cars whenever possible, invoking stringent new measures such as far higher bridge tolls. Capital improvements will be necessary in the subway system, the airports, and in the streets and highways linking the region. And all reasonable measures must be taken to decrease the anarchy in the city's streets, sidewalks, and subways.

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Transportation is an area in which progress takes time, and in which major progress requires the cooperation of many government agencies reporting to different jurisdictions -- New York City, New York State, New Jersey, Connecticut, the Port Authority, and many more. These jurisdictions deal with an extraordinary number of people -- more than three million people enter Manhattan's central business district every day. They arrive by subway, railroad, bus, car, ferry, bicycle, and foot. On the average day, more than 190,000 passengers use the three major airports, while countless tons of goods are shipped into, around, and out of the city.

While the Commission pointed out that it would be hard to find a New Yorker who would say that all this works well, some agencies have been making progress both internally and in their cooperation with one another. The Commission's analysis and strategy has been generally accepted among these different entities. The completion of the first phase of the MTA's capital plan is showing results for subway riders. Funding for the second phase of the rebuilding plan is in place. With the improvement of the mass transit system, subway ridership rose by 2.8 percent in 1987. Nonetheless, as jobs became more concentrated in Manhattan's Central Business District (CBD), the total number of people and cars entering the CBD has also increased. The Commission suggested that the basic conditions of the transportation system be changed "so that New Yorkers and commuters conclude that it is rational to use mass transit regularly, drive calmly, park legally, and cross streets with the lights." Those basic conditions are just beginning to be addressed.

REBUILD THE SYSTEM

Perhaps the most important factor in successfully implementing the Commission's transportation strategy is the MTA's capital plan. At an annual cost of $1.4 billion (in 1985 dollars) the system will be brought into a state of good repair by the year 2007. By the end of the first five-year phase of the plan in 1987, 1,480 new and 1,223 overhauled subway cars, or 43 percent of the fleet, were in service and are providing more efficient, quieter and more comfortable service with fewer breakdowns. Almost 1,000 more new and overhauled cars are scheduled to be placed in service in 1988.

Over 4,800 cars, or approximately 76 percent of the cars, are now clean and graffiti free. With the delivery of 1,811 new buses, that fleet is now in a state of good repair and buses are being retired on a normal twelve-year cycle. As a result of the rehabilitation of track and switches, only one track related derailment has occurred in the last two years -- in contrast to one every 18 days in 1983.

Capital funding to implement the next five years of the plan is now in place through 1991. In 1987 the state legislature approved a five-year capital plan for the MTA of $8.6 billion, funded from fifteen different revenue sources. Direct city capital support is projected at a level of $200 million annually, an increase of $100 million per year over the 1982-86 program. While such a large and widely based commitment indicates a consensus on the part of state and local policymakers, there is a real danger that some of the sources of funds will be unavailable for the five-year cycle beginning in 1992. One-time sources such as the Westway trade-in and the Coliseum sale will be difficult to replicate, and federal funding may be problematic.

New sources of revenue must be planned for long before the end of this current five-year cycle.

One reason to secure long-term capital funding is to keep borrowing down to minimize its effect on annual operating deficits. The Commission proposed that operating deficits be controlled by a combination of increased taxes, state subsidy, and higher bridge tolls. In the negotiation that accompanied the approval of the 1987-1991 MTA Capital Program, New York State and the MTA agreed on a concurrent five-year package to fund operating costs, which incorporated assurance of adequate subsidies and froze fares until 1990. The only identified new source of subsidy was the mortgage transfer tax.

While this funding covers only the years through 1991, it is a milestone in the development of regular, predictable sources of operating assistance for the MTA by setting a precedent that moves away from the annual budget crisis of years past that provoked last-minute fare increases. The Commission defined an appropriate balance between subsidies and fares as a "fair fare" policy, by which the rider pays 55 percent of the operating costs, operating costs rise only at the level of inflation, and subsidies are substantially increased. Combined, this would permit a publicly acceptable rise in the fare. The current MTA plan resembles the Commission's proposal in that it freezes the fare until 1990, predicts that increased ridership will increase revenues, and projects operating costs to rise no more than inflation. The level of total subsidy, though, remains virtually static -- a potential problem.

In concert with the rehabilitation of the subways and buses, the Commission

proposed improved connections among all parts of the transportation system. Some steps have been taken. In the spring of 1988 a joint MTA, Department of Transportation (DOT) and Department of City Planning study was begun to develop a plan for express bus service, whose unplanned growth is now creating both traffic and parking problems. The December 1988 opening of the Archer Avenue Subway line in Queens will be done in conjunction with restructured local bus services. The Transit Authority and DOT have recently cooperated in initiating a large number of bus priority lanes and streets to improve both traffic management and transit service. Continuation and expansion of this type of initiative depends on traffic control agents. The current budget reduces the number of traffic control agents in these non-revenue producing functions by 175. DOT is also publicizing existing park and ride sites with over 4,000 spaces at Howard Beach Station and Shea Stadium. DOT anticipates providing up to 30,000 park and ride sites by the mid-1990s.

Two specific means of linking the region mentioned by the Commission -- the promotion of ferry usage and improved access to the airports -- are also progressing. Over the past two years, thirteen new ferry routes (9 from New Jersey) operated by 5 private companies have been opened. In addition, the Port Authority plans to initiate service between Hoboken and Battery Park City in 1989. The city has developed a permit system for private operators to ensure safety, reliability, and environmental soundness, and has made docking space available at seven locations. DOT believes a long-term plan developed by outside specialists will be necessary to take full advantage of the improved market for ferry services.

The Commission supported the Port Authority's ambitious plans to redevelop the

region's three airports, and called upon the city to improve subway and bus access to both Kennedy and LaGuardia and to improve ground access from the Grand Central Parkway. The Port Authority's detailed plan for Kennedy includes the use of a people mover to expedite passenger traffic within the airport and long range plans call for either connection of the people mover to the JFK express train at the Howard Beach station or for direct rail extension to the terminal complex. Bus service at JFK will be improved by a new roadway system within the airport. Additional bus access was initiated this past year to JFK from Jamaica, Flatbush Avenue and the local Queens Q3 route. Options for improved transit access to LaGuardia are now being explored by DOT, including special bus services from existing subway stops in Queens. While the Port Authority plans include a reconfiguration of some of the parking at LaGuardia, the city is planning no major changes in the approach routes, as was suggested.

One piece of technology that would improve mass transit and link the region's systems is an automated fare system, which would "allow the sale of monthly transit passes, provide a transit package for commuters, and permit more flexible pricing strategies to encourage off peak travel." The Transit Authority began a trial of a less ambitious system involving over 35,000 users under a variety of station and customer conditions. It will evaluate the trial after six to twelve months. As automated fare collection systems are tested and developed over the next several years, it is important that the different systems -- the subways, rails, buses, PATH -- develop systems that are compatible and can be integrated.

USE THE SYSTEM PROPERLY

Given the Commission's belief that new pieces of infrastructure are not the answer to the city's transportation problems, it called for changed behavior fostered by (1) changing the basic conditions of the transportation system so that New Yorkers and commuters conclude that it is rational to use mass transit regularly, drive calmly, park legally, and cross streets with the lights; and (2) insisting that city officials encourage lawful behavior by stringently enforcing laws and regulations.

The Commission urged that the use of the private car for Central Business District access be strongly discouraged by several means, including new or higher tolls on all river crossings into Manhattan and changes in employer subsidies for transportation. While increased bridge tolls are always a political problem, the city concluded during the past year that tolls on all the East River bridges were infeasible because they could jeopardize federal funds for road and bridge repairs (which generally cannot go to tolled facilities). A recent study of area licensing showed that the number of private autos entering the CBD could be reduced by 16 percent with a $3.50 daily entry fee or 44 percent by a $15.00 fee. These and other options will be more fully explored in a comprehensive consultant study on improving traffic and air quality in the city. It may still prove necessary to impose tolls on the river crossings. As the federal government is pushing the city to reduce vehicular traffic in Manhattan to improve air quality, it should be possible to secure federal approval for tolls while maintaining federal funds for road and bridge repairs.

This past year a consortium of the MTA, the Port Authority, and New Jersey

Transit began the Transit Check Program, a necessary initial step to alter the imbalance between employer subsidization of mass transit and of the automobile. This program allows employers to offer a transit check voucher of $15 to employees, a sum which is tax deductible for the employers. Senators Moynihan and D'Amato have introduced legislation to increase the allowable deduction, although the proposals would still result in transit subsidies well below the subsidies offered many drivers. DOT has also initiated Project Smart, an educational program designed to increase the number of business employers offering the voucher.

Recognizing that the car will always have an important role in the transportation system, and that the city's streets, bridges and highways must be rebuilt and maintained, the Commission suggested that even the 1986 capital plan spending of $5.3 billion might have to be supplemented. The new 1988 ten-year plan increases the funds devoted to highway repair and rebuilding to $8.1 billion including reconstruction of the four East River bridges. This year's operating budget nearly doubles the allocation to bridge maintenance and repair. The city is also seeking to establish a separate bridge authority with a dedicated revenue stream and greater hiring and contracting flexibility, but has been rebuffed by the state legislature.

The Commission's proposal of severely punishing lawless behavior that impedes traffic -- including illegal parking and intersection blocking -- may have been set back by the new budget. DOT reports that the rate of illegal parking in the CBD is actually declining. Efforts to maintain that progress and also to decrease moving violations depend almost entirely on the traffic control agents, whose levels, as noted earlier, were recently trimmed. In the long-run such cuts can be counterproductive.

Along with improved mass transit, the Commission suggested that a variety of improvements be made in para-transit, including expansion and better regulation of van service and expansion of taxi medallions. DOT is now examining how it would assume powers of van regulation from the state in order to more closely coordinate local bus, street, and transit usage. Despite pressure from the medallion taxi owners, the Mayor, in the spring of 1987, authorized the Taxi and Limousine Commission to issue 1,800 more medallions. Before these may be issued, environmental impact statements must be prepared and approved.

The task for the future remains as the Commission defined it a year ago -- rebuilding the capital plant and using it properly. Capital and operating funding of the MTA for the next few years is more secure, but its longer range future is not. The efforts needed to have an integrated regional transportation system and a set of real conditions which encourage its proper use have only just begun. Real conditions must continue to demonstrably improve so that public consensus can be built. This will take time, money, foresight, and political will.

CONCLUSION

In reviewing the city's response to New York Ascendant, it is hard not to be struck by how seriously the Commission's report has been taken by the city administration and the larger community. In one year, the comprehensive strategy described by the Commission on the Year 2000 has been assessed and debated, mostly accepted, and embodied in specific operational plans. In many cases, the plans have been developed, funding secured, pilot projects designed, monitoring mechanisms readied, energies galvanized. One year is a short time for planners and policy makers to have produced so much, particularly given the economic downturn that hit the city last fall.

One year inevitably produces unanticipated events that require attention. The October stock market crash, the closing of the Williamsburg bridge, the worsening crack epidemic and its impact on violent crime, and the speed with which the city's in-patient hospital capacity became overburdened, all necessitated a refocusing of energy and resources.

Yet one year is also a long time for those suffering from homelessness or ill health or trying to make sure their children get a decent education. In this last year, New York City received reports of more than one-half million felonies, more than 46,000 allegations of child abuse or neglect, and nearly 4,000 new cases of AIDS.

Obviously it would be a mistake to expect fundamental solutions to overwhelming problems to be in place after one year. And indeed some real progress can be seen in certain areas: the rate of growth in the number of homeless persons lodged in shelters is slowing and the percent of homeless families sheltered in hotels has been reduced; the high school dropout rate is somewhat lower; the number of jobs continues to grow; subway ridership has increased; the poverty rate has decreased; the net rental vacancy rate has improved; the rate of growth in the number of new cases of AIDS is slowing. Yet, these limited improvements should not be taken to mean that long-term solutions are necessarily underway. Achieving marginal progress when dealing with such large and pressing problems can and frequently does prevent the focused attention necessary to address the kinds of long-range issues that the Commission on the Year 2000 was concerned with.

That is not to imply that incremental improvement is not the way of the democratic process. Many of the real successes of the last decade occurred in a step-by-step fashion. In the MTA, creating stable funding and a credible capital plan, and successfully repairing some of the system were necessary before other steps that can alter patterns of use could be taken. At the Health and Hospitals Corporation, better management -- aimed at increasing revenues while controlling expenses -- made improvements in health care possible. Indeed the city government's overall recovery from the fiscal crisis as well as creation of the city capital plan happened in the same incremental fashion. However, what distinguished these efforts from the day-to-day business of government was that individual decisions were made in the context of long-term goals and objectives. What remains uncertain is whether the planning that has taken place, the general acceptance the Commission's report has

received, and the progress seen over the last year despite economic problems will lead to a sustained, strategic approach for the future.

Because of the opportunity for fuller employment presented by the combination of economic and demographic conditions discussed in New York Ascendant, the Commission argued that the city must find a way to deal effectively with real and present emergencies while taking those steps necessary to prevent future emergencies. With regard to poverty, the single most important problem in the Commission's view, the very real daily pressures of dealing with homelessness and attending to all the horrors it brings to adults and children cannot be permitted to prevent the city from leading the way in developing ways to intervene early, to strengthen neighborhoods, and to help families, young single mothers, and young men -- to create a set of conditions which leads the poor to view their poverty as a temporary condition. Likewise, dealing with the immediate crisis of overtaxed in-patient hospital services should not prevent the development of a full range of community-based services for frail-elderly persons or persons with mental illness or AIDS.

The same kind of concern has to guide thinking in virtually every area covered in the Commission's report. Moving forward in individual economic development projects should not divert the real work of creating regional centers, overhauling the tax system, and thoroughly revising the zoning resolution.

The waterfront is so critical to New York's future -- "the finest opportunity in this century for adding wealth and beauty to the city" -- that its future should be

guided by a comprehensive plan. The pressures to take advantage of the opportunity presented by a largely government-owned underused but commercially valuable waterfront should not prevent its development from being shaped by a guiding vision.

Crime and the fear of crime so affects the daily lives of New Yorkers that the temptation to focus exclusively on the immediate is powerful. Objective measures show that New York focuses on the immediate as effectively as most American cities. This should not prevent New York from reaching for a higher standard. And if achieving that higher standard requires a criminal justice system that is coherently organized and locally accountable, then that decision should be made and the necessary legislative changes proposed. At minimum, a carefully made decision to accept or reject this Commission proposal is necessary. The Commission acknowledged that more prison cells may be needed in the short run while the system is being reformed. Now, while more cells are being added, is the time to decide whether the extremely expensive tactic of incarcerating more people for longer periods of time is to remain the centerpiece of the city's crime control strategy -- or whether the Commission's strategy of treating every prison cell as a scarce resource for violent criminals and providing alternative punishments is more appropriate.

In the areas of education and housing, two of the Commission's highest priorities, a good deal of progress has been made in putting together agendas for fundamental change. The test facing the city government in both areas is to stick with those agendas and to make certain that what has been proposed actually becomes real.

In transportation, measurable progress has been made in rebuilding the mass

transit system. But what has happened so far is only a beginning. Continued funding will be necessary over a sustained period of time as well as new thinking on routes and coordination of services. A strategy for limiting the entrance of cars into the Central Business Districts is essential.

What the Commission's report attempted to do was to put the issues of the present in the context of strategies for the future, to identify broad themes that have characterized New York at its best and should characterize it in the next century, and to outline a blueprint for New York's full revival. An undertaking of that kind is a great deal easier for a Commission and staff freed of daily operating concerns than it is for city government. The challenge for government and the city as a whole is to sustain that kind of long-term agenda. The initial response by the city, in the staff's view, is encouraging, as has been the general interest in and reaction to the Commission's recommendations. Whether the interest can be sustained and the general support continue will test the city's political will and its commitment to the future.

What is important, though, is to also remember the emphasis the Commission put on the role of the private sector and that of the state and federal governments. So far there has been a great deal of private interest -- on the part of universities, foundations, the business community, and civic organizations. The test will be whether that interest leads to meaningful collaboration. The state government has also displayed interest, particularly in the areas of housing and education. Here again the test will be whether that interest leads to action.

The federal government has continued to neglect the interests of urban America. The 1988 presidential election provides an appropriate time for considering New York Ascendant's implications for a federal urban agenda. Many elements of federal policy actually constrain the city, contributing to its focus on emergencies. New York should be permitted to try its Opportunities For Independence Program, and if it proves effective OFI should form the basis for a federal welfare policy easing the transition from poverty to economic independence. The federal government should abide by its own rhetoric of local initiative and allocate emergency housing funds to finance conventional housing for homeless and other low-income families. In addition, a renewed federal commitment to public housing is essential. Federal transportation policy, through funding and tax policy, should support both New York's mass transit and its roadways, rather than contribute to the increased use of the automobile in the central city. It is only the federal government that can reduce the importing of drugs. National health care policy, especially through its systems of reimbursement, can help create the services that will be needed, especially for young families and the frail elderly. As the problems of public education gain a national consensus, federal policy can be a significant factor in assuring proper child care and early childhood education as well as strengthening the teaching profession. The new President can ease the way for the city or he can make the city's tasks much harder.

As the challenges before us are great so are the signs of revival plentiful. New York Ascendant calls on the city to build on its current strengths, to have its future shaped by the best of its past. The city has made an admirable beginning in this first year since the release of New York Ascendant. Only if each of the next twelve years is characterized by an even greater sense of shared commitment and purpose, can "our

city of 2000 be a city of civility and charm, a city of great international trade and thriving neighborhoods, a city that will come to embody the 21st Century as Athens, Rome, Paris, and London defined earlier centuries, a city of opportunity that is a magnet for the world."